Code of Corporate Governance

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5.0	Annual Review of Code of Corporate Governance.	Kerry Mackenzie, Acting Director of Strategic Planning & Performance; Jillian Thomson, Deputy Director of Finance; Jack Frawley, Board Secretary	March 2025

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Introduction

1. Code of Corporate Governance

The Code of Corporate Governance includes the following sections:

Section A - How business is organised.
Section B - Members Code of Conduct.
Section C - Standards of Business Conduct for NHS Staff.
Section D - The Fraud Standards.
Section E - Scheme of Delegation
Section F - Standing Financial Instructions.
Section G - Risk Management.

The Board keeps the Code of Corporate Governance under review and will undertake a comprehensive review annually.

2. The NHS in Scotland

The National Health Service (NHS) was established in Britain in 1948. Despite a growth in private health provision and insurance, the NHS provides the vast majority of Healthcare in Scotland.

The purpose of the NHS is to secure through the resources available the greatest possible improvement in the physical and mental health of the Nation by: promoting health; preventing ill health; diagnosing and treating injury and disease, and caring for those with long term illness and disability who require the services of the NHS' (Department of Health 1996).

Health Policy was, in the main, devolved to the Scottish Parliament under the Terms of the Scotland Act 1998 (the '1998 Act'). However, there are some areas of Health Policy which remain reserved. These are:

- Abortion
- Xenotransplantation (the use of non-human organs for transplantation)
- Embryology, Surrogacy and Genetics
- Licensing of Medicines, Medicines Supplies and Poisons (although decisions on whether the NHS should fund licensed medicines are devolved)
- Welfare foods
- The Regulation of Health Professions (although Regulation of professions not regulated prior to the 1998 Act is devolved)
- Health and Safety

The NHS in Scotland carries on the principle of collective responsibility by the State for the provision of comprehensive Health Services free at the point of use for all. Services are funded from central taxation and access should be based on need.

3. NHS Boards

The National Health Service (Scotland) Act 1972 allows for the establishment of area Health Boards to assess health needs and administer the provision of relevant healthcare. There are 14 territorial NHS Boards in Scotland, one of which is Forth Valley NHS Board.

The main legislation providing the legal framework for the NHS in Scotland is the National Health Service (Scotland) Act 1978.

The Functions of Health Boards (Scotland) Order 1991 sets out the requirements of Scottish Ministers in terms of the functions that Health Boards have to provide for healthcare to their local population. This Order details the high-level functions which the Health Board is directed by the

Minister to provide. The Board is a Board of Governance, not a representative body, nor a management body.

4. Role of the Forth Valley NHS Board

Forth Valley NHS Board (the Board) is a strategic body, accountable to the Scottish Government Health and Social Care Directorate and to Scottish Ministers for the functions and performance of NHS Forth Valley. The Board consists of the Chair, Non-Executive and Executive Members, who are appointed by the Scottish Ministers.

The Board will not concern itself with day-to-day operational matters, except where they have an impact on the overall performance of the system.

The Overall Purpose of the Forth Valley NHS Board

Effective NHS Boards articulate an ambition for their organisation whilst managing the risk contained within that ambition and demonstrating leadership by undertaking 3 key roles:

- Formulating strategy for the organisation, including the development annually of a Delivery Plan.
- Ensuring commitment and accountability by holding the organisation (all staff) to account for performance and the delivery of both improvement in population health, individual experience of care whilst operating with a context of affordability and sustainability.
- Shaping a positive culture (open, just, and fair) for the Board and organisation.

In summary our purpose is:

- as a Board we aim to optimise health, optimise care and optimise value.

The Function of the Board

- Setting the direction, including clarifying priorities and defining change and transformational expectations.
- Holding the Executive Leadership Team to account by seeking assurance that the organisation is being effectively managed and change is being successfully delivered.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with key stakeholders, as and when appropriate.
- Influencing the Board's and the wider organisational culture.
- Strategy Development - to develop a Delivery Plan which addresses the health priorities and health care needs of the resident population.
- Monitoring the effective performance of the Board's activities and ensuring achievement of its aims.
- Ensuring that resources (staff, finance and premises) are used effectively and responsibly to support local priorities and strategic objectives.
- Ensuring that Governance arrangements are robust, rigorous and effective.
- Ensuring probity and propriety in the workings of the organisation.

Responsibilities of Members of Forth Valley NHS Board

- Shared responsibility for the discharge of the functions of the Board.
- Exercise independent, impartial judgement on issues of strategy, resource allocation, performance management, key appointments and accountability to Scottish Ministers and to the local community.
- Responsibility for the overall performance of NHS Forth Valley, using information on the performance of the organisation to assess and challenge the quality of services.

Board Members support the Chair and work with other Members to discharge the functions of the Board.

5. Composition of the Board

The Board consists of the following Members appointed by the Minister:

Non-Executive Members	Executive Members
• Chair • 8 Non-Executive Members (one is Whistleblowing Champion) • Chair - Area Clinical Forum • Employee Director • 3 Local Authority Elected Members - 1 each from Local Authority notably: Clackmannanshire, Falkirk, and Stirling.	• Chief Executive • Director of Finance • Director of Public Health and Strategic Planning • Medical Director • Nurse Director

6. Individuals Roles, Responsibilities and Accountabilities[1]

	Chair	**Chief executive**	**Non-executive director**	**Executive director**
Formulate Strategy	Ensures board develops vision, strategies, and clear objectives to deliver organisational purpose.	Leads strategy development process.	Brings independence, external skills, and perspectives, and challenge to strategy development.	Takes lead role in developing strategic proposals – drawing on professional and clinical expertise (where relevant).
Ensure Accountability	Holds CE to account for delivery of strategy. Ensures board committees that support accountability are properly constituted.	Leads the organisation in the delivery of strategy. Establishes effective performance management arrangements and controls. Acts as Accountable Officer.	Holds the executive to account for the delivery of strategy. Offers purposeful, constructive scrutiny and challenge. Chairs or participates as member of key committees that support accountability.	Leads implementation of strategy within functional areas.
Shape Culture	Provides visible leadership in developing a positive culture for the organisation and ensures that this is reflected and modelled	Provides visible leadership in developing a positive culture for the organisation and ensures that this is reflected in their own	Actively supports and promotes a positive culture for the organisation and reflects this in their own behaviour. Provides a safe point	Actively supports and promotes a positive culture for the organisation and reflects this in their own behaviour.

[1] NHSLeadership-TheHealthyNHSBoard.pdf (leadershipacademy.nhs.uk)

	in their own and in the board's behaviour and decision making. Board culture: Leads and supports a constructive dynamic within the board, enabling contributions from all directors.	and the executive's behaviour and decision making.	of access to the board for whistle-blowers.	
Context	Ensures all board members are well briefed on external context.	Ensures all board members are well briefed on external context.		
Intelligence	Ensures requirements for accurate, timely & clear information to board/ directors (and governors for FTs) are clear to executive.	Ensures provision of accurate, timely & clear information to board/ directors (and governors for FTs).	Satisfies themselves of the integrity of financial and quality intelligence.	Takes principal responsibility for providing accurate, timely and clear information to the board.
Engagement	Plays key role as an ambassador, and in building strong partnerships with: • Patients and public • Member and governors (FT) • Clinicians and Staff • Key institutional • Stakeholders • Regulators	Plays key leadership role in effective communication and building strong partnerships with: • Patients and public • Member and governors (FT) • Clinicians and Staff • Key institutional • stakeholders • Regulators	Ensures board acts in best interests of the public. Senior independent director is available to members and governors if there are unresolved concerns (FTs).	Leads on engagement with specific internal or external stakeholder groups.

7. Values

The Purpose, Role, Functions and Responsibilities of Forth Valley NHS Board and Board Members, will be delivered in a way which upholds the organisational values. NHS Forth Valley's values represent the care our patients can expect, and how this care should be delivered by our staff.

Our local values in NHS Forth Valley are:

- Be person centred
- Be respectful
- Have integrity
- Be ambitious
- Be supportive
- Be a committed team member

Our Values should be visible in everything we do and drive the improvement of our services.

NHS Forth Valley's values are closely aligned to the NHS Scotland's values, which are shared by all staff throughout Scotland:

- Care and Compassion
- Dignity and Respect
- Openness, Honesty and Responsibility
- Quality and Teamwork

Both sets of values underpin and support NHS Scotland's national quality ambitions:

- Person-centred
- Safe
- Effective

8. Conduct, Accountability, and Openness

Members of Forth Valley NHS Board (Executive and Non-Executive) are required to comply with the Members' Code of Conduct and the Standards of Business Conduct for NHS Staff.

Board Members and staff are expected to promote and support the principles in the Members' Code of Conduct and to promote by their personal conduct the values of:

- Public Service
- Leadership
- Selflessness
- Integrity
- Objectivity
- Openness
- Accountability and stewardship
- Honest
- Respect

9. Understanding our responsibilities arising from the Code of Corporate Governance

It is the duty of the Chair and the Chief Executive to ensure that Board Members and staff understand their responsibilities. Managers are responsible for ensuring their staff understand their own responsibilities. The Code of Corporate Governance will be published on the Board's website.

10. Endowment Funds

The principles of this code of Corporate Governance apply equally to Member of Forth Valley NHS Board who have distinct legal responsibilities as Trustees of the Endowment Funds.

11. Advisory and Other Committees

The principles of this Code of Corporate Governance apply equally to all NHS Forth Valley Advisory Committees and all committees and groups which report directly to a Forth Valley Board Committee.

12. Review

The Board will review the Code of Corporate Governance on an annual basis and will revise the Code to reflect any National or Local Changes which impact on the Board and its functions. The Board may, on its own or if directed by the Scottish Ministers, vary and revoke Standing Orders for the regulations of the procedures of business of the Board and of any Committee.

13. Feedback

NHS Forth Valley aims to continuously improve the services we deliver, and it is important that this Code remains relevant, we would therefore be happy to hear from you regarding new operational statements or any other matter connected with the Code.

Comments and suggestions for improvement are most welcome and should be sent to:

Corporate Business Manager
NHS Forth Valley
Carseview House
Castle Business Park
Stirling
FK9 4SW

14. Definitions

Any expressions to which a meaning is given in the Health Service Acts or in the Regulations or Orders made under the Acts Shall have the same meaning in the interpretation and in addition:

Definition	Meaning
The Accountable Officer	Is the Chief Executive of NHS Forth Valley, who is responsible to the Scottish Parliament for the economical, efficient, and effective use of resources. The Chief Executive of NHS Forth Valley is also accountable to the Board for clinical, staff and financial governance, including controls assurance and risk management, and for delivery of other statutory requirements. This is a legal appointment made by the Principal Accountable Officer of the Scottish Government. (Public Finance and Accountability (Scotland) Act 2000 Memorandum to Accountable Officers for other Public Bodies).
The Act	The National Health Service (Scotland) Act 1978 as amended.
The 2001 Regulations	The Health Board's (Membership and Procedure) (Scotland) Regulations 2001.
The 1960 Act	The Public Bodies (Admission to Meetings) Act 1960 as amended.
Board Member	A person appointed as a Member of the Board by Scottish Ministers and who is not disqualified from membership.
Board Secretary	Responsible for ensuring that the Board complies with relevant legislation and governance guidance. The Board Secretary will ensure that meetings of the Board and its Committees run efficiently and effectively, and that they are properly recorded.
Budget	Money proposed by the Board for the purpose of carrying out, for a specific period, any, or all of the functions of the Board.

Chair	The person appointed by the Scottish Ministers to lead the Board and to ensure that it successfully discharges its responsibility as a whole. The Chair of a Committee is responsible for fulfilling the duties of a Chair in relation to that Committee only.
Chief Executive	The Accountable Officer of NHS Forth Valley.
Committee	A Committee established by the Board and includes "Sub-Committee".
Committee Members	People formally appointed by the Board to sit on or to Chair specific committees.
Contract	Any arrangements including an NHS Contract.
Co-opted Member	An individual, not being a Member of the Board, who is appointed to serve on a Committee of the Board.
Community Planning Partners	Statutory Service providers, third and independent sector organisations with a stake in providing services and support to people in Forth Valley.
Director of Finance	The Chief Finance Officer of the Board.
Integration Joint Board	The constitutional arrangements for the establishment of Integration Joint Boards are set out within Scottish Statutory Instrument 2014 No. 285 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014.
Meeting	A meeting of the Board or any Committee.
Member	A person appointed as a Member of the Board by Scottish Ministers, and who is not disqualified from membership. This definition includes the Chair, Executive and Non-Executive Members.
Nominated Officer	An officer charged with the responsibility for discharging specific tasks within the Code of Corporate Governance.
Officer	An employee of NHS Forth Valley.
Department of Health and Social Care	The Scottish Government and is its legal name.
SFIs	Standing Financial Instructions.
Vice Chair	The Non-Executive Member appointed by the Cabinet Secretary Health & Social Care to take on the Chair's duties if the Chair is absent for any reason.

SECTION A

How Business is Organised - Standing Orders

Standing Orders for the Proceedings and Business of Forth Valley NHS Board

1. General

1.1. These Standing Orders for regulation of the conduct and proceedings of Forth Valley NHS Board, the common name for Forth Valley Health Board, [the Board] and its Committees are made under the terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3)[2].

The Blueprint for Good Governance in NHS Scotland Second Edition[3] has informed these Standing Orders. The Blueprint describes the functions of the Board as:

- Setting the direction.
- Holding the Executive Leadership Team to account.
- Managing risk.
- Engaging stakeholders.
- Influencing culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (https://learn.nes.nhs.scot/17367/board-development).

1.2. The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension, and disqualification of members in line with the above regulations. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.

1.3. Any statutory provision, regulation, or direction by Scottish Ministers, shall have precedence if they are in conflict with these Standing Orders.

1.4. Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of the proposed repeal, addition, or amendment. The Board will annually review its Standing Orders.

1.5. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members' Code of Conduct, and those include suspension and disqualification. The regulations (see paragraph 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

[2] http://www.legislation.gov.uk/ssi/2001/302/pdfs/ssi_20010302_en.pdf

[3] The Blueprint for Good Governance in NHS Scotland - Second Edition (www.gov.scot)

Board Members – Ethical Conduct

1.6 Members have a personal responsibility to comply with the Code of Conduct for Members of the Forth Valley NHS Board. The Commissioner for Ethical Standards can investigate complaints about members who are alleged to have breached their Code of Conduct. The Board will have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however they may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend their entry in the Register, they must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter required to be registered.

1.7 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.

1.8 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders and have regard to Section 5 of the Code of Conduct (Declaration of Interests).

1.9 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration.

1.10 Members shall make a declaration of any gifts or hospitality received in their capacity as a Board member. Such declarations shall be made to the Board's appointed Standards Officer who shall make them available for public inspection at all reasonable times at the principal offices of the Board and on the Board's website. The Register of Interests includes a section on gifts and hospitality. The Register may include the information on any such declarations or cross-refer to where the information is published.

1.11 The Board's Corporate Business Manager shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

2. Chair

2.1 The Scottish Ministers shall appoint the Chair of the Board.

3. Vice Chair

3.1 The Chair shall nominate a candidate or candidates for Vice Chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. A member who is an employee of a Board is disqualified from being Vice Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide.

3.2 The Vice Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice Chair is the process described at paragraph 3.1.

3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period of time to perform their duties due to illness, absence from Scotland or for any other reason, then the Board Secretary should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason) the Vice Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the

duties, be taken to include references to either the interim chair or the Vice Chair. If the Vice Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

4 Calling and Notice of Board Meetings

4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet at least 6 times in the year and will annually approve a forward schedule of meeting dates.

4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business; however, this can only be for business which the Board is being informed of for awareness, rather than being asked to decide. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.

4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member at which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.

4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.

4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.

4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member so as to be available to them at least seven (7) days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point**.**

4.7 Lack of service of the notice on any member shall not affect the validity of a meeting.

4.8 Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least seven (7) days before the meeting is held and shall be placed on the Board's website. The meeting papers shall be placed on the Board's website the morning of the meeting. The meeting papers will include the minutes of Board Committee and Advisory Committee meetings. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the Board members will normally receive the meeting papers for those items, unless the person presiding agrees that others may receive them.

4.9 Any individual or group or organisation which wishes to make a deputation to the Board must make an application to the Chair's Office at least 21 working days before the date of the meeting at which the deputation wish to be received. The application will state the subject and the proposed action to be taken.

Any member may put any relevant question to the deputation, but will not express any opinion on the subject matter until the deputation has withdrawn. If the subject matter relates to an item of business on the agenda, no debate or discussion will take place until the item is considered in the order of business.

Any individual or group or organisation which wishes to submit a petition to the Board will deliver the petition to the Chair's Office at least 21 working days before the meeting at which the subject matter may be considered. The Chair will decide whether or not the petition will be discussed at the meeting.

5 Conduct of Meetings

Authority of the Person Presiding at a Board Meeting

5.1 The Chair shall preside at every meeting of the Board. The Vice Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.

5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.

5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g. video conferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.

5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts themselves inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

5.5 The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.

5.6 In determining whether or not a quorum is present the Chair must consider the effect of any declared interests.

5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether or not that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under

consideration and should not be counted as participating in that meeting for quorum or voting purposes.

5.8 Paragraph 5.7 will not apply where a member, or an associate of theirs, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of Integration Joint Boards. The effect is that those members do not need to declare as an interest that they are a member of an Integration Joint Board when taking part in discussions of general health & social care issues. However, members still have to declare other interests as required by Section 5 of the Board Members' Code of Conduct.

5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises with regard to the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.

5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committee, whether or not they are also members of the Board, e.g, stakeholder representative.

5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

5.12 If it is necessary or expedient to do so for any reason (including disorderly conduct or other misbehaviour at a meeting), a meeting may be adjourned to another day, time, and place. A meeting of the Board, or of a committee of the Board, may be adjourned by the Chair until such day, time and place as the Chair may specify.

Business of the Meeting

The Agenda

5.13 If a member wishes to add an item of business which is not in the notice of the meeting, they must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent and accordingly whether it may be discussed at the meeting.

5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

Decision-Making

5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.

5.16 The Chair will consider the discussion, and whether or not a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.

5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.

5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will normally be what happens where consensus has been reached.

5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.

5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.

5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

Board Meeting in Private Session

5.22 The Board may agree to meet in private in order to consider certain items of business. Items will be detailed on the Board meeting agenda noting the grounds for consideration in closed session. The Board may decide to meet in private on the following grounds:

- The Board is still in the process of developing proposals or its position on certain matters and needs time for private deliberation.
- The business relates to the commercial interests of any person and confidentiality is required, e.g., when there is an ongoing tendering process or contract negotiation.
- The business necessarily involves reference to personal information and requires to be discussed in private in order to uphold the Data Protection Principles.
- The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.

5.23 The minutes of the meeting will reflect when the Board has resolved to meet in private.

Minutes

5.24 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.

5.25 The Board Secretary (or their authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

6 Matters Reserved to the Board

Introduction

6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.

6.2 This section summarises the matters reserved to the Board and should be read in conjunction with Section 3 of the Scheme of Delegation:

a) Approval of the Code of Corporate Governance, which encompasses: Standing Orders, Committee arrangements and Terms of Reference, Scheme of Delegation, Fraud Standards and Policy, and Standing Financial Instructions.
b) The establishment and terms of reference of all its committees, and appointment of committee members.
c) Organisational Values.
d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
e) The Delivery Plan for submission to the Scottish Government for its approval.
(Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Delivery Plan, the Board should receive it at a public Board meeting).
f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
g) Risk Management Policy.
h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
i) Annual accounts and report.
(Note: This must be considered when the Board meets in private session. In order to respect Parliamentary Privilege, the Board cannot publish the annual accounts, or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period).
j) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the Scottish Capital Investment Manual.
k) The Board shall approve the content, format, and frequency of performance reporting to the Board.
l) The appointment of the Board's chief internal auditor.
(Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment).

6.3 The Board may be required by law or Scottish Government direction to approve certain items of business, e.g, the integration schemes for a local authority area.

6.4 The Board itself may resolve that other items of business are deemed to be reserved for the Board.

7 Delegation of Authority by the Board

7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions and the Scheme of Delegation available on the NHS Board website.

7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.

7.3 The Board and its officers must comply with the NHS Scotland Property Transactions Handbook, and this is cross-referenced in the Scheme of Delegation.

7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any decision for itself. The Board may withdraw any previous act of delegation to allow this.

8 Execution of Documents

8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any document, the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.

8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management, and disposal of land.

8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

9 Committees

9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Scotland Board Development website will identify the committees which the Board must establish.
https://learn.nes.nhs.scot/17367/boarddevelopment)

9.2 The Board shall appoint the chairs of all committees. The Board shall approve the terms of reference and membership of the committees. The Board shall review these as and when required and shall review the terms within 2 years of their approval if there has not been a review.

9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed.

9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.

9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to committee meetings where the committee's membership consist of or include all the Board members. Where the committee's members include some of the Board's members, the committee's meetings shall not be held in public and the associated committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise. Generally, Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However, if the committee elects

to consider certain items as restricted business, then the meeting papers for those items will normally only be provided to members of that committee. The chair of the committee meeting may agree to share the meeting papers for restricted business papers with others.

9.6 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time and shall call a meeting when requested to do so by the Board.

9.7 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills, and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of Forth Valley NHS Board and is not to be counted when determining the committee's quorum.

ANNEX A: SUSPENSION AND DISQUALIFICATION

(1) Subject to paragraphs (2) and (3), a person shall be disqualified from being a Member, if:

(a) they have, within the period of five years immediately preceding the proposed date of appointment, been convicted in the United Kingdom, the Channel Islands, the Isle of Man, or the Irish Republic of any offence in respect of which they have received a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine.

(b) their estate has been sequestrated in Scotland or they have otherwise been adjudged bankrupt elsewhere, they have granted a trust deed for the benefit of their creditors or entered into any arrangement with their creditors, or a curator bonis or judicial factor has been appointed over their affairs.

(c) they have resigned or been removed or been dismissed, otherwise than by reason of redundancy, from any paid employment or office with a health service body.

(d) they are a person whose appointment as the chairperson, member or director of a health service body has been terminated other than by the expiration of their term of office.

(e) they are a chairperson, member, director, or employee of a health service body outwits the Forth Valley NHS Board area.

(f) they have had their name removed, by a direction under section 29 of the Act, from any list prepared under Part II of the Act and have not subsequently had their name included in such a list.

(g) they are a person whose name has been included in any list prepared under Part II of the Act, and whose name has been withdrawn from the list on their own application.

(h) they have had their name removed, by a direction under section 46 of the 1977 Act from any list prepared under Part II of the 1977 Act and have not subsequently had their name included in such a list.

(i) they are a person whose name has been included in any list prepared under Part II of the 1977 Act, and whose name has been withdrawn from the list on their own application.

(j) they are a person who is subject to a disqualification order under the Company Directors Disqualification Act 1986; or

(k) they are a person who has been removed from the position of trustee of a charity, whether by the court or by the Charity Commissioner.

(2) For the purpose of paragraph (1):

(a) the disqualification attaching to a person whose estate has been sequestrated shall cease if and when -

(i) the sequestration of their estate is recalled or reduced; or
(ii) the sequestration is discharged.

(b) the disqualification attaching to a person by reason of their having been adjudged bankrupt shall cease if and when -

(i) the bankruptcy is annulled; or
(ii) they are discharged.

(c) the disqualification attaching to a person in relation to whose estate a judicial factor has been appointed shall cease if and when -

(i) that appointment is recalled; or
(ii) the judicial factor is discharged.

(d) the disqualification attaching to a person who has granted a trust deed or entered into an arrangement with their creditors shall cease if and when that person pays their creditors in full or on the expiry of five years from the date of their granting the deed or entering into the arrangement.

(3) The Scottish Ministers may direct that in relation to any individual person or Board any disqualification so directed shall not apply in relation thereto.

(4) For the purposes of paragraph (1)(a) the date of conviction shall be deemed to be the date on which the days of appeal expire without any appeal having been lodged, or if an appeal has been made, the date on which the appeal is finally disposed of or treated as having been abandoned.

ANNEX B: ASSURANCE COMMITTEE TERMS OF REFERENCE

- Audit and Risk Committee
- Clinical Governance Committee
- Pharmacy Practices Committee
- Remuneration Committee
- Staff Governance Committee
- Strategic Planning, Performance and Resources Committee

AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE

1. Purpose

1.1 The purpose of the Audit and Risk Committee is to ensure that NHS Board activities including Patients Private Funds are:

- within the law and regulations governing the NHS.
- that an effective system of internal control is maintained to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided, and reliable financial information produced and that value for money is continuously sought.

2. Duties & Responsibilities

2.1 Objectives

The main objectives of the Audit and Risk Committee are to ensure that NHS Forth Valley acts within the law, regulations, and code of conduct applicable to it and that an effective system of internal control is maintained. The duties of the Audit and Risk Committee are in accordance with the Public Sector Internal Audit Standards and the Scottish Government Audit Committee Handbook. The Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

2.2 Internal Control and Corporate Governance

The Committee will, in respect of the framework of internal control and corporate governance:

- evaluate the Control environment.
- evaluate the adequacy of the organisation's risk management arrangements, systems, and processes.
- approve the annual risk management reports on effectiveness, adequacy, and robustness of the risk management system.
- evaluate the adequacy of the Decision-making processes.
- evaluate Information and communication.
- be responsible for Monitoring and corrective action.
- review the effectiveness of the Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.
- review the system of internal finance control, including:
  - (i) the safeguarding of assets against unauthorised use and disposition.
  - (ii) maintenance of proper accounting records and the reliability of financial information used within the organisation or for publication.
- ensure the NHS Board's activities are within the law and regulations governing the NHS.
- Review, and thereafter, recommend approval to the NHS Board of the Risk Management Strategy.
- present an annual assurance statement on the above to the NHS Board to support the Governance Statement.
- take account of the implications of publications detailing best audit practice.
- take account of recommendations contained in the relevant reports of the Auditor General and the Scottish Parliament.
- provide an Annual Report of the Committee's activities to the Forth Valley NHS Board, to inform the preparation and review of the Board's Governance Statement.
- scrutinise the Strategic Risks aligned to the Committee.

2.3 Internal Audit

The Committee will:

- influence, review and approve the Internal Audit Strategic and Annual Plan.
- monitor audit progress and review audit reports.
- monitor the management action taken in response to audit recommendations.
- consider the Chief Internal Auditor's annual report and assurance statement.
- review the operational effectiveness of Internal Audit by considering the audit standards, resources, staffing, technical competency, and performance measures.
- maintain direct contact with Internal Audit and provide the opportunity for discussions with the Chief Internal Auditor as required without the presence of the Executive Directors.
- review the terms of reference and appointment of the Internal Auditors.

2.4 External Audit

The Committee will:

- review the Audit Strategy and Plan, including the Performance Audit Programme.
- consider all statutory audit material, in particular:
  (i) Audit Reports (including Performance Audit Studies)
  (ii) Annual Reports
  (iii) Management Letters relating to the certification of the NHS Board.

- monitor management action taken in response to all External Audit recommendations including Performance Audit Studies following consideration by the relevant Governance Committee.
- hold meetings with the External Auditors at least once per year without the presence of the Executive Directors.
- review the extent of co-operation between External and Internal Audit.
- Annually appraise the performance of the External Auditors.
- note the appointment and remuneration of External Auditors and to examine any reason for the resignation or dismissal of the Auditors.

2.5 Standing Orders and Standing Financial Instructions

The Committee will:

- conduct an annual review of the Code of Corporate Governance and recommend approval to the Forth Valley NHS Board.
- examine the circumstances associated with each occasion when Standing Orders are waived or suspended.

2.6 Annual Accounts

The Committee will:

- review, and approve, annually any changes in accounting policy.
- review a schedule of losses and compensation payments.
- review and recommend approval to the NHS Board of the Annual Accounts.
- report in the Directors Report on the roles and responsibilities of the Audit Committee and actions taken to discharge those.
- review and recommend approval to the NHS Board of the Patients Funds Annual Accounts.
- receive reports from the FHS (Family Health Service) Performance Review /

Reference Group which is responsible for dealing with Primary Care contractor issues and alleged breaches of terms of reference.

3. Composition

3.1 Membership of the Audit & Risk Committee shall comprise:

- five Non-Executive Members of the Forth Valley NHS Board.

3.2 The Chair of Forth Valley NHS Board and Executive Forth Valley NHS Board Members are not eligible for Membership but may attend meetings of the Committee.

3.3 The Committee Chair shall be appointed at a meeting of Forth Valley NHS Board in accordance with the Standing Orders. The Chair shall preside at every meeting of the Committee. In the event that the Chair of the Committee is unable to attend, another Non-Executive Member will be designated as Chair for the meeting.

3.4 The Director of Finance shall serve as the Lead Executive Officer to the Committee.

The Executive Lead will oversee the development of an annual workplan for the Committee which reflects its remit and the need to provide appropriate assurance at the year-end for both the Committee and the Forth Valley NHS Board.

4. Quorum

4.1 No business shall be transacted unless a minimum of three Non-Executive Board Members are present.

5. Attendees

5.1 The Chief Executive, Director of Finance, the Chief Internal Auditor and the Statutory External Auditor shall normally attend meetings. The Committee can request the attendance of any officer of NHS Forth Valley at its meetings.

5.2 All NHS Board Members shall have the right of attendance and have access to papers, except where the Committee resolves otherwise.

6. Frequency

6.1 To fulfil its remit the Audit & Risk Committee will meet no fewer than four times in a year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in accordance with the Standing Orders.

6.2 If necessary, meetings of the Committee shall be convened and attended exclusively by Members of the Committee and/or the External Auditor or Internal Auditor.

7. Agenda & Papers

7.1 The agenda and supporting papers will normally be sent out at least five working days in advance of the meetings.

7.2 All papers will be completed on the approved NHS Forth Valley template and clearly state the agenda reference, the author and the purpose of the paper together with the action the Committee are asked to consider.

8. Minutes

8.1 Formal Minutes will be kept of the proceedings. Draft minutes shall be distributed for consideration and review to the Chair of the Committee within 2 weeks of the meeting, except in exceptional circumstances.

8.2 The draft minutes will be circulated electronically to Committee Members for approval following sign off by the Committee Chair. These minutes will then be presented to the next meeting of the Committee for ratification.

8.3 Minutes will be included for noting in subsequent Board Meeting papers following ratification by Committee.

9. Authority

9.1 The Committee is authorised to:

- ensure compliance with due process relating to any investigation of activities which are within the terms of its responsibility and duties. In doing so the Committee is authorised to seek information it requires from any Board member or employee, paying due regard to professional responsibilities and personal data rights. All members and employees are expected to co-operate with reasonable requests made by the Committee.
- approve matters as described within its responsibility and duties.

9.2 The Committee may establish sub-committees or sub-groups to support its functions.

10. Reporting Arrangements

10.1 The Committee will report to the Board through submission of its approved minutes.

10.2 The Chair of the Committee has a standing invitation to report verbally on key issues which the committee considered should be brought to the Board's attention.

10.3 The Committee will provide an Annual Report on the Committee's activities to the Forth Valley NHS Board, to inform the preparation and review of the Board's Governance Statement. The report shall include: attendees; frequency and dates of meetings; Committee activities, including confirmation of delivery of the Annual Workplan and review of the Committee Terms of Reference; improvements overseen; matters of concern and emerging issues.

11. Review of Terms of Reference

11.1 The Terms of Reference will be reviewed annually by the Committee and recommended to the Board for approval.

12. Conduct of Business

12.1 Business will be conducted in accordance with the Board's Standing Orders.

CLINICAL GOVERNANCE COMMITTEE - TERMS OF REFERENCE

1. Purpose

1.1 The purpose of the Clinical Governance Committee is to provide the NHS Board with:

- Systems Assurance – to ensure effective Clinical Governance is in place and effective throughout the local NHS system and services and is effective in services that are commissioned from independent providers and other partner agencies.
- Public Health Governance – to ensure that the principles and standards of clinical governance are applied to the health improvement, health protection and healthcare public health activities of the NHS Board.
- Clinical Risk Management – assurance that an appropriate approach is in place to deal with clinical risk management across the system, working within the NHS Forth Valley Risk Management Strategy.

2. Duties & Responsibilities

2.1 **Objectives**

The main objectives of the Clinical Governance Committee are to provide:

- Systems Assurance
- Public Health Governance
- Clinical Risk Management.

2.2 **Responsibilities**

The Committee will: -

- ensure that all elements of the Clinical Governance Framework, including learning, within the Quality Strategy are implemented effectively and efficiently across the system.
- ensure that appropriate standards of clinical governance are being applied to the health improvement, health protection, healthcare public health and screening programme activities of the Board.
- ensure that appropriate delivery of NHS Forth Valleys Clinical Governance Strategic Implementation Plan (CGSIP) is reported upon.
- ensure that follow-up action is taken in relation to external reviews to provide assurance that the quality of services is being improved.
- promote positive complaints handling, advocacy and feedback including learning from adverse events, near misses and whistleblowing cases.
- ensure review of clinical governance objectives bi-annually to gain assurance across the whole NHS system with appropriate monitoring and action planning.
- ensure systems dealing with revalidation/fitness to practice are in place.
- review performance in management of clinical and population-based risk and delivery of services, including emergency planning and service continuity planning.
- receive regular reports that allow the Committee to assure the Board on key clinical priorities within a clear forward plan.
- oversee medical education governance through receiving an annual report from the Director of Medical Education.
- receive reports from the, NHS Forth Valley Area Prevention & Control of Infection Committee, and Child Protection Action Group Quarterly Report.
- receive minutes of the Clinical Governance Working Group. Recognising the issues of relative timing and scheduling of meetings, minutes of the Clinical

Governance Working Group may be presented in draft form to the next meeting of the Clinical Governance Committee.

- receive minutes of the Organ Donation Sub-Committee.
- provide an Annual Report on the Committee's activities to the Forth Valley NHS Board, to inform the preparation and review of the Board's Governance Statement.

3. Composition

3.1 The Membership of the Committee shall comprise:

- Five Non-Executive Members of the NHS Board, including
- Chair of Area Clinical Forum
- Chair of the Board, ex-officio

3.2 The Chairperson of the Committee shall be appointed at a meeting of Forth Valley NHS Board in accordance with Standing Orders. The Committee Chair shall preside at every meeting of the Committee. In the event that the Chair of the Committee is unable to attend, another Non-Executive Member will be designated as Chair for the meeting.

3.3 The Medical Director and Executive Nurse Director shall jointly serve as the Lead Executives of the Committee.

The Executive Leads will oversee the development of an annual workplan for the Committee which reflects its remit and the need to provide appropriate assurance at the year-end for both the Committee and the Forth Valley NHS Board.

4. Quorum

4.1 No business shall be transacted unless a minimum of three Non-Executive Board Members are present.

5. Attendees

5.1 The Chief Executive, Director of Public Health, Director of Pharmacy, Head of Clinical Governance and the Infection Control Manager shall normally attend. The Committee can request the attendance of any officer or family practitioner of NHS Forth Valley at its meetings.

5.2 All NHS Board Members shall have the right of attendance and have access to papers except where the Committee resolves otherwise.

6. Frequency

6.1 To fulfil its remit the Clinical Governance Committee will meet no fewer than six times in a year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in accordance with the Standing Orders.

7. Agenda & Papers

7.1 The agenda and supporting papers will normally be sent out at least five working days in advance of the meetings.

7.2 All papers will be completed on the approved NHS Forth Valley template and clearly

state the agenda reference, the author and the purpose of the paper together with the action the Committee are asked to consider.

8. Minutes

8.1 Formal Minutes will be kept of the proceedings. Draft minutes shall be distributed for consideration and review to the Chair of the Committee within 2 weeks of the meeting, except in exceptional circumstances.

8.2 The draft minutes will be circulated electronically to Committee Members for approval following sign off by the Committee Chair. These minutes will then be presented to the next meeting of the Committee for ratification.

8.3 Minutes will be included for noting in subsequent Board Meeting papers following ratification by Committee.

9. Authority

9.1 The Committee is authorised to:

- ensure compliance with due process relating to any investigation of activities which are within the terms of its responsibility and duties. In doing so the Committee is authorised to seek information it requires from any Board member or employee, paying due regard to professional responsibilities and personal data rights. All members and employees are expected to co-operate with reasonable requests made by the Committee.
- obtain professional advice it considers necessary.
- approve matters as described within its responsibility and duties.

9.2 The Committee may establish sub-committees or sub-groups to support its functions, which shall include the Organ Donation Sub-Committee.

10. Reporting Arrangements

10.1 The Committee will report to the Board through submission of its approved minutes.

10.2 The Chair of the Committee has a standing invitation to report verbally on key issues which the committee considered should be brought to the Board's attention.

10.3 The Committee will provide an Annual Report on the Committee's activities to the Forth Valley NHS Board, to inform the preparation and review of the Board's Governance Statement. The report shall include: attendees; frequency and dates of meetings; Committee activities, including confirmation of delivery of the Annual Workplan and review of the Committee Terms of Reference; improvements overseen; matters of concern and emerging issues.

11. Review of Terms of Reference

11.1 The Terms of Reference will be reviewed annually by the Committee and recommended to the Board for approval.

12. Conduct of Business

12.1 Business will be conducted in accordance with the Board's Standing Orders.

PHARMACY PRACTICES COMMITTEE
TERMS OF REFERENCE

1. PURPOSE

1.1 The Committee shall be known as the Pharmacy Practices Committee and shall consider, determine and approve/reject applications for inclusion in the Pharmaceutical List in accordance with the NHS (Pharmaceutical Services) (Scotland)Regulations 2009 and the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 (SSI 2011 No. 32) and 2014 (SSI 2014 No. 148).

1.2 The Committee shall, within 10 working days of taking its decision, give written notification of it to the Board with reasons for that decision.

2. COMPOSITION

2.1 **Membership**

The Pharmacy Practices Committee is appointed by the Board and shall consist of seven (unless the Application is for premises in a neighbourhood or an adjacent neighbourhood to a controlled locality, in which case an additional member will be appointed by the Board from persons nominated by the Area Medical Committees).

Members of whom:

2.1.1 One (Chair) shall be a Non-Executive Member of the Board appointed as Chair of the Pharmacy Practices Committee and shall not be nor have previously been, a Doctor, Dentist, Ophthalmic Optician or Pharmacist or an employee of a Doctor, Dentist, Ophthalmic Optician or Pharmacist.

2.1.2 Three shall be Pharmacists of whom:

2.1.2.1 One shall be a Pharmacist whose name is not included in a Pharmaceutical List and who is not an employee of a person whose name is so listed and who shall be appointed from a list of persons nominated by the Area Pharmaceutical Committee.

2.1.2.2 Two shall be Pharmacists whose names are either included on a Pharmaceutical List or are employees of a person whose name is on such a list and shall be appointed from a list of persons nominated by the Area Pharmaceutical Committee.

2.1.3 Three shall be Lay Persons appointed by NHS Forth Valley, other than from members of the Board, and shall not be nor have previously been a Doctor, Dentist, Ophthalmic Optician or Pharmacist or an employee of person who is a Doctor, Dentist, Ophthalmic Optician or Pharmacist.

2.1.4 In circumstances where the premises that are the subject of the Application are located in the same neighbourhood as a controlled locality the Pharmacy Practices Committee shall have an additional member appointed by the Board from persons nominated by the Area Medical Committee.

2.2 **Appointment of Deputies**

The Board shall also appoint deputies including, as the case may be for 2.1.4 for each Committee Member using the same criteria as set out in 2.1.

2.3 **Eligibility**

The Board shall ensure in appointing Members and Deputies to the Pharmacy Practices Committee that the eligibility criterion set out in the National Health Service (General Pharmaceutical Services)

(Scotland) Regulations 2009 the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014 (SSI 2014 No. 148) and in accordance with the provision of The Health Act 1999 are met.

If nominations are not made available before such a date as the Board may determine, the Board may appoint as a member a person who satisfies the appropriate criteria specified in 2.1 to 2.1.4.

2.4 **Review**
Membership shall be reviewed annually.

2.5 **Attendance**
The Board may appoint an independent legal assessor to attend to provide legal and technical advice during the hearing.

A person shall attend for the purpose of taking an accurate note of the Pharmacy Practices Committee meeting.

3. MEETINGS

3.1 The Pharmacy Practices Committee shall meet as necessary to fulfil its remit.

3.2 The agenda and supporting papers will be sent at least five days before the date of the meeting. In any case where oral representations are being heard, at least 7 days' notice of the date fixed for the meeting shall be given to all parties.

3.3 **Quorum**
No business will be conducted at the meeting of the Pharmacy Practices Committee unless five Members or deputies are present of whom:

3.3.1 one shall be the Chair of the Committee or deputy Chair.

3.3.2 one shall be a non-contractor Pharmacist in accordance with 2.1.2.1 or deputy.

3.3.3 one shall be a contractor Pharmacist in accordance with 2.1.2.1 or deputy.

3.3.4 two shall be Lay Persons in accordance with 2.1.3 or deputy.

3.3.5 In circumstances where the premises that are the subject of the Application are in the same neighbourhood as a controlled locality the Pharmacy Practices Committee shall have an additional member appointed by the Board from persons nominated by the Area Medical Committee.

3.4 Formal minutes will be kept of the proceedings of the Committee and approved by Members or deputies in accordance with 3.3, with the decision and the reasons for that decision reported to the Board. A copy of the Minutes of the NHS Forth Valley Pharmacy Practices Committee will be submitted to the NHS Board for noting.

3.5 Each application submitted to the Pharmacy Practices Committee under Regulation 5 (10) shall be discussed by all Members present at the meeting but shall be determined by the following Members (or their deputies) after the Non-Contractor and Contractor Pharmacists appointed by the Pharmacy Practices Committee and, if present, the member nominated by the Area Medical Committee, have withdrawn.

3.5.1 Lay Persons in accordance with 2.1.3.

3.6 The Chair or deputy Chair shall not be entitled to vote in respect of a determination of an application submitted under Regulation 5 (10) but in the case of an equality of votes under 3.5 shall have a casting vote.

3.7 In the case of all other matters considered under Regulation 5(10) except in respect of an application submitted under Regulation 5(10) all Members of the Committee present shall determine the matter.

3.8 In the case of urgent matters the Chair, or in their absence, the deputy Chair shall be empowered by the Committee to determine matters within the remit of the Committee with the exception of applications submitted under Regulation 5(10) in circumstances where it is necessary that, as a matter of urgency, a decision should be reached between scheduled meetings of the Committee.

3.9 Any decision taken under 3.8 shall be reported to the next meeting of the Committee for endorsement.

4. REMIT

4.1 The Committee shall determine and approve/reject applications for inclusion in the Pharmaceutical List as defined in terms of Regulation 5(10) and paragraph 3 of schedule 3 of the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 2009, the National Health Service (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014 (SSI 2014 No. 148) and in accordance with The Health Act 1999.

4.2 The Committee shall also be empowered to exercise other functions as are delegated to it by Forth Valley NHS Board under the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 2009, the National Health Service (Pharmaceutical Services) (Scotland)Amendment Regulations 2011 and 2014 (SSI 2014 No. 148) and in accordance with The Health Act 1999 to the extent that those functions are not delegated to an Officer under the Scheme of Delegation.

4.3 Any Officer with delegated authority in respect of the provisions of the General Pharmaceutical Services under Part II of the National Health Service (Scotland) Act 1978, may refer to the Committee for determination of any matter within the Officer's delegated authority either as a matter of policy or in respect of a specific issue and the Committee shall be authorised to determine such matters.

4.4 In exercising and considering all applications submitted to it, the Committee shall have regard to the provisions of the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 2009, the National Health Service (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014 (SSI 2014 No. 148) and The Health Act 1999 with particular reference to:

4.4.1 consultation with interested parties, appropriate members of the public; and

4.4.2 criterion for the granting of new pharmaceutical contracts.

5. AUTHORITY

5.1 The Committee is authorised to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

5.2 The Committee has a duty to review its own performance, effectiveness including running costs and terms of reference on an annual basis.

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. Purpose

1.1 The Remuneration Committee is a sub-committee of the Staff Governance Committee. It provides assurance to the NHS Forth Valley Board that appropriate arrangements are in place to meet the statutory requirements as laid out in the Staff Governance Standard, in respect of the application and implementation of fair and equitable pay and performance management systems as determined by Ministers and Scottish Government.

2. Duties & Responsibilities

2.1 In relation to Executive Directors and Senior Managers on Executive pay grades, to:

2.1.1 review and approve the place on the grade scale for new post holders.

2.1.2 seek assurance that remuneration, benefits and employment related terms and conditions are in line with and fair, (whether on an individual or collective basis), in relation to the national system and the arrangements for determining those matters and to seek redress if this is determined to not be the case.

2.1.3 seek assurance that individual annual SMART performance objectives in place are aligned to the organisation's corporate vision, goals, purpose and values

2.1.4 review and approve individual annual SMART performance objectives, including overseeing the review of performance against these objectives at the mid-year point and agreeing any revisions to the objectives during the course of the year.

2.1.5 consider and approve proposals on the assessment of performance at the year-end (taking into account any factors which the Committee consider to be relevant and which may not have been known by the relevant parties at the time when objectives, including their weighting were agreed or at the mid-year point) and any changes to the remuneration or the Terms and Conditions of Employment arising from this assessment of performance during the review period. The Remuneration Committee will sign off the final versions, following discussion, which will then be sent to the National Performance Management Committee (NPMC). Following the initial assessment by the NPMC, the Remuneration Committee will sign off any documents which have been returned for amendment.

2.2 Review and approve annually the points awarded by the Discretionary Management Group on Consultants' Discretionary Points and provide confirmation of the process followed in the allocation of points.

2.2.1 The Remuneration Committee must be satisfied that there is equity and transparency in the process which approves performance related increases in salaries for Consultants.

2.2.2 The outcomes of the Panel convened to consider discretionary points should be in the form of a paper brought to a Remuneration Committee meeting for assurance and final approval. The purpose of this is for assurance that the Panel has reached a fair and equitable decision, and to enable final approval to be given for the remuneration award. The Remuneration Committee should also consider equality monitoring of the awarding of discretionary points to ensure equity.

2.3 In general, to:

2.3.1 Comply with any Scottish Government Health Directorates directions and take into consideration any relevant guidance on remuneration, benefits or terms and conditions of employment, including the guidance contained in the Remuneration Committee Self-Assessment Pack published by the Scottish Government and Audit Scotland in 2007.

2.3.2 Provide assurance to the Board, through the Staff Governance Committee, that systems and procedures are in place to manage the issues set out in Scottish Government guidance so that overarching staff governance responsibilities can be discharged. The Staff Governance Committee will not be given the detail of confidential employment issues that are considered by the Remuneration Committee.

2.3.3 Review and approve submissions from the Chief Executive for the terms of any Settlement Agreement, including early retiral, where there are additional costs to be borne by the Board. Such agreements may also require the approval of the Scottish Government, in accordance with procedures applicable across the public sector.

2.3.4 Seek assurance on succession planning arrangements for Executives and Senior Managers, with consideration to the skills and expertise required to meet the needs of the organisation.

2.3.5 Agree processes for Executive Level Director recruitment, including representation on recruitment panels for Chief Executive and other Executive Director appointments.

3. Composition

3.1 The membership of the Committee shall comprise of five Non-Executive Directors of the Forth Valley NHS Board, including:

- the Employee Director
- the NHS Board Chair

3.2 The Chair of the Committee will be nominated at the discretion of the Board Chair. The Chair of the Staff Governance Committee and the NHS Forth Valley Board Chair should be precluded from being appointed as the Chair of the Committee to avoid any potential conflicts of interest as the Remuneration Committee reports to the Staff Governance Committee and the Board Chair has a role in the appraisal of the Chief Executive and is the grandparent reviewer for other Executive Directors.

3.3 The Membership of the Committee will be approved by Staff Governance Committee, taking into account the views of the Board Chair and the respective portfolio assignments of Non-Executive Members.

3.4 The Director of People shall serve as the Lead Executive Officer to the Committee.

3.5 The Executive Lead will oversee the development of an annual workplan for the Committee which reflects its remit and the need to provide appropriate assurance at the year-end for both the Committee and the Forth Valley NHS Board.

4. Quorum

4.1 No business shall be transacted unless a minimum of three Non-Executive Board Members are present.

5. Attendees

5.1 The Chief Executive and Director of People will be in attendance throughout to provide support and advice (apart from during their own reviews). A senior member of HR will deputise for the Director of People in their absence as appropriate, to ensure specialist HR advice is always available to the Committee.

5.2 The Chief Executive and Director of People will leave the meeting when their own remuneration and terms and conditions are to be discussed and at other times, at the discretion of the Chair.

6. Frequency

6.1 The Committee will be scheduled to meet as a minimum four times per annum, and at the Chair's discretion, conduct business by correspondence on occasions where this provides a more timely or effective mechanism.

6.2 Remuneration issues may arise between meetings and will be brought to the attention of the Committee Chair by the Chief Executive or the Director of People. The Chair may call a special meeting of the Remuneration Committee to address the issue.

7 Agenda & Papers

7.1 Due to the confidential nature of the Remuneration Committee business, and the identifiable confidential personal data included in Committee papers, in line with General Data Protection Regulations and the Data Protection Act 2018, meeting papers will only be accessible to Committee members and the agreed regular attendees.

7.2 The agenda and supporting papers will be sent out at least five working days in advance of the meetings.

7.3 All papers will clearly state the agenda reference, the author, the purpose of the paper and the key issues that the Committee is asked to consider using the agreed Board paper template.

8 Minutes

8.1 Formal Minutes will be kept of the proceedings. Draft minutes shall be distributed for consideration and review to the Chair of the Committee within 2 weeks of the meeting, except in exceptional circumstances. The minutes should be marked confidential.

8.2 The draft minutes will be circulated electronically to Committee Members for approval following sign off by the Committee Chair. These minutes will then be presented to the next meeting of the Committee for ratification.

9 Authority

9.1 The Committee is authorised to:

- Ensure compliance with due process relating to any investigation of activities which are within the terms of its responsibility and duties. In doing so, is authorised to seek information it requires from any Board member or employee, paying due regard to professional responsibilities and personal data rights. All members and employees are expected to co-operate with reasonable requests made by the Committee;
- Approve matters as described within its responsibility and duties;
- obtain whatever professional advice it requires and invite external experts to meetings.
- Request the attendance of any employee, contractor of the Board (as/if agreed on their engagement), or seek professional advice as may be required.

9.2 No Director or senior manager shall be involved in any decisions as to their own remuneration outcome.

10 Reporting Arrangements

10.1 A summary of the key items of business considered by the Committee will be presented to the Staff Governance Committee.

10.2 The Staff Governance Committee will not be given the detail of confidential employment issues considered by the Remuneration Committee.

10.3 The Remuneration Committee will submit their annual report through the Staff Governance Committee for review and the Staff Governance Committee will recommend approval to the Board. This will give relevant assurance to the Board and Accountable Officer relating to the Governance Statement.

10.4 The Committee will undertake ongoing assessment of its performance, highlighting any steps for further improvement to the way it conducts business.

10.5 The Audit Scotland Remuneration Committee Self-Assessment Framework will be used as the basis on which the business of the committee is reviewed.

11 Review of Terms of Reference

11.1 The Committee will review its Terms of Reference annually and submit them to the Staff Governance Committee for review and recommended approval to the Board.

12 Conduct of Business

12.1 Business will be conducted in accordance with the Board's Standing Orders.

12.2 All business of the Committee will be conducted in strict confidence.

STAFF GOVERNANCE COMMITTEE - TERMS OF REFERENCE

1. Purpose

1.1 The purpose of the Staff Governance Committee is to provide the NHS Board with the assurance that:

- There is a culture within NHS Forth Valley where the highest possible standard of staff management is understood to be the responsibility of everyone working in Forth Valley and is built upon partnership and collaboration.

- Staff governance mechanisms are in place and effective throughout the local NHS system.

- Performance is reviewed against the Staff Governance standard.

2. Duties & Responsibilities

2.1 The main duties of the Staff Governance Committee are to ensure that staff governance mechanisms are in place and effective throughout the local NHS System and that performance is reviewed against relevant Staff Governance standards. The Committee shall support the creation of a culture within the health system where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within the system and is built upon partnership and collaboration.

2.2 Systems Assurance and Staff Governance

The Committee will:

- receive summary reports from the Area Partnership Forum in relation to Human Resource and Organisational Development Strategy and Policies. Policy development and approval is delegated to the Area Partnership Forum.
- monitor implementation plans to deliver the aims of the Health and Social Care: National Workforce Strategy.
- commission the introduction of structures and processes which ensure that delivery against the Staff Governance Standards, including the aligned Whistleblowing Standards, is being achieved.
- ensure consistency of policy and equity of treatment of employees.
- ensure that a consistent approach to the job evaluation is in place.
- monitor Workforce Plan development and its associated action plan.
- ensure that an appropriate approach is in place to deal with staff risk management (including staff and patient safety) across the system working within NHS Forth Valley Risk Management Strategy.
- ensure that systems and procedures are in place to monitor, manage and improve performance across the whole system.
- scutinise the Strategic Risks aligned to the Committee.
- provide staff governance information for the statement of internal control.
- receive a summary of the key items of business considered by the Remuneration Committee.

2.3 Internal Review

The Committee will:

- monitor and evaluate strategies and implementation plans relating to people management.
- review staff survey results and to monitor implementation of agreed action plans.
- monitor performance in NHS Forth Valley in:
  (i) staff communications
  (ii) learning and development
  (iii) partnership working (through links with Area Partnership Forum)
  (iv) safe and healthy working environment
  (v) Human Resource Policies and Procedures

- propose and support any policy amendment, funding, or resource submission to achieve the Staff Governance Standard recognising that such proposals will require to be assessed as part of the over-arching local prioritisation process.
- receive minutes from the Health and Safety Committee and monitor governance arrangements as they relate to staff.

2.4 External Review

The Committee will:

- take responsibility for the timely submission of all staff governance information required for national monitoring arrangements and ensure follow-up action is taken in respect of relevant external reviews such as Audit Reports.
- oversee the implementation of Everyone Matters, the national workforce vision and related workforce strategies.
  (i) Partnership Information Network Guidelines
  (ii) Fair for All

- review all appropriate Performance elements routinely.
- recognise the implementation of the 'Once for Scotland' Workforce Policies.

3. Composition

3.1 The membership of the Committee shall comprise:

- Four Non-Executive NHS Board Members
- Chair of the NHS Board, ex-officio
- Employee Director, ex-officio
- Four Lay members (from Trade Union and Professional Organisations)

3.2 The Committee Chair shall be appointed at a meeting of Forth Valley NHS Board in accordance with the Standing Orders. The Chair shall preside at every meeting of the Committee. In the event that the Chair of the Committee is unable to attend, another Non-Executive Member will be designated as Chair for the meeting.

3.3 The Director of People shall serve as the Lead Executive Officer to the Committee.

The Executive Lead will oversee the development of an annual workplan for the Committee which reflects its remit and the need to provide appropriate assurance at the year-end for both the Committee and the Forth Valley NHS Board.

4. Quorum

4.1 No business shall be transacted unless a minimum of three Non-Executive Board Members are present.

5. Attendees

5.1 The Chief Executive, Director of Nursing, Director of People and Chief Officers of the Falkirk and Clackmannanshire & Stirling IJBs (or a representative) shall normally attend meetings. The Committee can request the attendance of any officer of NHS Forth Valley at its meetings.

5.2 All NHS Board Members shall have the right of attendance and have access to papers except where the Committee resolves otherwise.

6. Frequency

6.1 To fulfil its remit the Staff Governance Committee will meet no fewer than six times in a year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in accordance with the Standing Orders.

7. Agenda & Papers

7.1 The agenda and supporting papers will normally be sent out at least five clear days in advance of the meetings.

7.2 All papers will be completed on the approved NHS Forth Valley template and clearly state the agenda reference, the author and the purpose of the paper together with the action the Committee are asked to consider.

8. Minutes

8.1 Formal Minutes will be kept of the proceedings. Draft minutes shall be distributed for consideration and review to the Chair of the Committee within 2 weeks of the meeting, except in exceptional circumstances.

8.2 The draft minutes will be circulated electronically to Committee Members for approval following sign off by the Committee Chair. These minutes will then be presented to the next meeting of the Committee for ratification.

8.3 Minutes will be included for noting in subsequent Board Meeting papers following ratification by Committee.

9. Authority

9.1 The Committee is authorised to:

- ensure compliance with due process relating to any investigation of activities which are within the terms of its responsibility and duties. In doing so the Committee is authorised to seek information it requires from any Board member or employee, paying due regard to professional responsibilities and personal data rights. All members and employees are expected to co-operate with reasonable requests made by the Committee.
- approve matters as described within its responsibility and duties.

9.2 The Committee may establish sub-committees or sub-groups to support its functions and will as a minimum establish a Remuneration Committee.

10. Reporting Arrangements

10.1 The Committee will report to the Board through submission of its approved minutes.

10.2 The Committee will provide an Annual Report on the Committee's activities to the Forth Valley NHS Board, to inform the preparation and review of the Board's Governance Statement.

11. Review of Terms of Reference

11.1 The Terms of Reference will be reviewed annually by the Committee and recommended to the Board for approval.

12. Conduct of Business

12.1 Business will be conducted in accordance with the Board's Standing Orders.

STRATEGIC PLANNING, PERFORMANCE AND RESOURCES COMMITTEE

TERMS OF REFERENCE

1. Purpose of the Committee

1.1 The Strategic Planning, Performance and Resources Committee will:

- influence, scrutinise and oversee the development of the strategic direction of the NHS Board, including the setting of the Board's vision and corporate objectives.
- scrutinise and oversee the planning and development of corporate policies and strategies for onward referral to the NHS Board for decision.
- oversee the planning and performance of areas related to Integration arrangements.
- scrutinise and oversee the implementation of service redesign and transformation change programmes taking a Values Based Health and Care approach.
- act as the oversight Committee for the development of NHS Forth Valley as a Population Health Organisation.
- act as the Performance Management Committee of the NHS Board with specific scrutiny of Financial and Operational performance.

2. Duties and Responsibilities

2.1 The Committee will provide assurance to the NHS Board on the areas below and as appropriate refer them to the Board for decision. It will operate within the principles of The Blueprint for Good Governance – Second Edition, **to ensure effective management, improved performance and ultimately good outcomes for all stakeholders**:

2.2 The Committee's remit will include:

- Finance and Efficiency: Financial and capital plans, allocation of resources, financial performance including the setting and delivery of savings plans and efficiencies, review of Initial Agreements and Business Cases, oversight of the delivery of the Digital and eHealth Plan.
- Whole system delivery of performance against targets and key priorities, except areas that are specifically in the remit of other Board committees such as detailed workforce and patient safety metrics.
- Strategy development, endorsing and referring them to the NHS Board for approval.
- Population Health: supporting NHS Forth Valley to embed a value-based health and care approach to delivery; oversight and performance monitoring of progress and outcomes against key social determinants of health; prioritisation of prevention; early

intervention; reducing inequalities; development, implementation and monitoring of Population Health & Care Strategy; support partnership working arrangements between NHS Forth Valley and the Community Planning Partnerships and other stakeholders.

- Climate Emergency and Sustainability and the delivery of key objectives in line with the agreed strategy.

- Infrastructure, Property and Asset Management and the progression of the Whole System Infrastructure Planning approach in line with Scottish Government Guidance.

- Information Governance and the delivery of NHS Forth Valley's statutory obligation to comply with information governance, Network Information Systems Regulations (including Cyber Security) and General Data Protection Regulation (GDPR).

- Risks aligned to the remit of this Committee providing scrutiny of Risk Assurance and Mitigation Plans for those risks escalated to the Strategic Risk Register.

- Horizon scanning to detect early signs of potentially important developments e.g., the impact of technology, demographic changes and climate change.

3. Composition of the Committee

3.1 Membership of the Strategic Planning, Performance and Resources Committee, will include all Non-Executive Directors.

3.2 In the event that the Chair of the Committee is unable to attend, another non-executive director will be designated as Chair for the meeting. Normally the Chair of the Committee would arrange this in advance.

3.3 Attendees will be invited at the discretion of the Committee Chair.

3.4 The Committee may co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience.

4. Quorum

4.1 No business shall be transacted unless a minimum of one third of the Committee members are present.

5. Attendees

5.1 All Executive Directors and Senior Leadership Team members shall normally attend meetings.

5.2 The Committee can request the attendance of any officer of NHS Forth Valley at its meetings and shall have the right to invite, as required, external experts to attend meetings.

5.3 The Director of Strategic Planning and Performance shall serve as the Lead Executive Officer to the Committee.

5.4 The Executive Lead will oversee the development of an annual workplan for the Committee which reflects its remit and the need to provide appropriate assurance at the year end for both the Committee and the NHS Board.

6. Frequency

6.1 To fulfil its remit the Strategic Planning, Performance and Resource Committee will normally meet no less than six times in a year but may elect to have additional meetings, at the discretion of the Chair. The Committee will conduct its meetings in line with the Standing Orders of the Board.

7. Agenda and Papers

7.1 The Executive Lead will set the agenda in conjunction with the Chair and Board Secretary.

7.2 The agenda and supporting papers will normally be sent out at least five working days in advance of the meetings.

7.3 All papers require to be completed on the approved covering paper template, clearly state the agenda reference, the author, the purpose of the paper and the action the Committee is asked to consider.

8. Minutes

8.1 Formal minutes shall be taken of the proceedings of the Committee. Draft Minutes shall be distributed for consideration and review to the Chair of the meeting within 2 weeks of the meeting except in exceptional circumstances.

8.2 The draft minutes will be circulated electronically to Committee Members for review and approval within the following 10 working days.

8.3 Minutes will be included for noting in subsequent Board Meeting papers following approval by the Committee.

9. Authority

9.1 The Committee is authorised to:

- ensure compliance with due process relating to any investigation of activities which are within the terms of its responsibility and duties. In doing so the Committee is authorised to seek information it requires from any Board member or employee, paying due regard to professional responsibilities and personal data rights. All members and employees are expected to co-operate with reasonable requests made by the Committee.

- approve matters as described within its duties and responsibilities.

9.2 The Committee may establish sub-committees or sub-groups to support its functions.

10. Reporting Arrangements

10.1 The Committee will report to the Board and commend decisions to the Board, by submitting its approved minutes to the Board.

10.2 The Committee Chair will provide an annual report on the Committee's activities to the NHS Board, to inform the preparation and review of the Board's Governance Statement.

10.3 The Committee will regularly review the annual workplan including identifying any slippage of timescales or tasks including agreeing any mitigation actions (if required) to ensure the full delivery of the Committee's remit.

10.4 The Committee will scrutinise the Strategic Risks aligned to the Committee on a bi-monthly basis.

11. Review of Terms of Reference

11.1 The Terms of Reference will be reviewed annually by the Committee for submission to the Board for the Board's consideration and approval.

12. Conduct of Business

12.1 Business will be conducted in accordance with the Board's Standing Orders.

ANNEX C: SCHEME OF DECISIONS RETAINED BY FORTH VALLEY NHS BOARD

The Code of Accountability requires the NHS Board to adopt a Schedule of Decisions that are reserved for the NHS Board.

The following decisions are for determination by the NHS Board:

1. Values and aims of Forth Valley NHS Board.

2. Forth Valley Corporate Plan including the Local Delivery Plan and Regional Planning issues.

3. Strategic Health Service Plans, all Business Cases where Capital Investment exceeds £1m.

4. Five Year Financial Plan and Annual Financial Plan.

5. Five Year Capital Plan and Annual Capital Plan.

6. Endorsement of jointly published plans with public sector partners.

7. Standing Orders including Decisions retained by the Board and the Scheme of Delegation.

8. Standing Financial Instructions.

9. Establishment, terms of reference, reporting arrangements and membership of all Committees acting on behalf of the NHS Board.

10. NHS Board Members' Register of Interests.

11. Approval of NHS Board Annual Report and Annual Accounts.

12. Financial and Performance Management Reporting Arrangements.

13. Arrangements for approval of policies required as a result of national guidelines with the exception of Human Resource policies (see Staff Governance Committee remit).

14. Recommendations to the Scottish Government relating to the closure or change of use of hospitals.

15. Acquisition and disposal of any land and property above £250,000.

16. Appointment of Executive Directors of Forth Valley NHS Board.

17. Appointment of Management Consultants/Advisors where contract value exceeds £100,000.

18. Approval of delegation of any function to an agency out with the National Health Service.

The Chief Executive is authorised to take such measures as may be required in emergency situations, subject to advising, where possible, the Chairperson and the Vice Chairperson of the Board and the relevant Standing Committee Chairperson. Where such powers are invoked, these shall be formally reported to the next relevant Standing Committee or NHS Board Meeting as appropriate.

ANNEX D: SCHEME OF DELEGATION

A clear set of rules for delegation, inclusive of financial limits is essential to ensure that effective management control of resources is exercised.

Decisions retained by the NHS Board are identified in Annex C.

All powers not retained by the NHS Board or delegated to a Committee or Sub-Committee shall be exercised on behalf of the NHS Board by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation identifying which functions they shall perform personally, and which functions have been delegated to other Officers.

The Chief Executive as Accountable Officer (Revised Memorandum to National Health Service Accountable Officers: May 2002) is also accountable to the Principal Accounting Officer of the NHS in Scotland and the Scottish Parliament. The role of the Director of Finance in devising, implementing, monitoring and supervising systems of financial control is exercised on behalf of the Chief Executive and the NHS Board.

The Scheme of Delegation and the Standing Financial Instructions form a major part of the system of control. These should be used in conjunction with the system of budgetary control and other established procedures.

SECTION B

Code of Conduct

SECTION 1: Introduction to the Code of Conduct

1.1 This Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the Ethical Standards in Public Life etc. (Scotland) Act 2000 (the "Act").

1.2 The purpose of the Code is to set out the conduct expected of those who serve on the boards of public bodies in Scotland.

1.3 The Code has been developed in line with the nine key principles of public life in Scotland. The principles are listed in Section 2 and set out how the provisions of the Code should be interpreted and applied in practice.

My Responsibilities

1.4 I understand that the public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. I will always seek to meet those expectations by ensuring that I conduct myself in accordance with the Code.

1.5 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all situations and at all times where I am acting as a board member of my public body, have referred to myself as a board member or could objectively be considered to be acting as a board member.

1.6 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all my dealings with the public, employees and fellow board members, whether formal or informal.

1.7 I understand that it is my personal responsibility to be familiar with the provisions of this Code and that I must also comply with the law and my public body's rules, standing orders and regulations. I will also ensure that I am familiar with any guidance or advice notes issued by the Standards Commission for Scotland ("Standards Commission") and my public body, and endeavour to take part in any training offered on the Code.

1.8 I will not, at any time, advocate or encourage any action contrary to this Code.

1.9 I understand that no written information, whether in the Code itself or the associated Guidance or Advice Notes issued by the Standards Commission, can provide for all circumstances. If I am uncertain about how the Code applies, I will seek advice from the Standards Officer of my public body, failing whom the Chair or Chief Executive of my public body. I note that I may also choose to seek external legal advice on how to interpret the provisions of the Code.

Enforcement

1.10 Part 2 of the Act sets out the provisions for dealing with alleged breaches of the Code, including the sanctions that can be applied if the Standards Commission finds that there has been a breach of the Code. More information on how complaints are dealt with and the sanctions available can be found at Annex A.

SECTION 2: Key Principles of the Code of Conduct

2.1 The Code has been based on the following key principles of public life. I will behave in accordance with these principles and understand that they should be used for guidance and interpreting the provisions in the Code.

2.2 I note that a breach of one or more of the key principles does not in itself amount to a breach of the Code. I note that, for a breach of the Code to be found, there must also be a contravention of one or more of the provisions in sections 3 to 6 inclusive of the Code.

The key principles are:

Duty
I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of the public body of which I am a member and in accordance with the core functions and duties of that body.

Selflessness
I have a duty to take decisions solely in terms of public interest. I must not act in order to gain financial or other material benefit for myself, family or friends.

Integrity
I must not place myself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

Objectivity
I must make decisions solely on merit and in a way that is consistent with the functions of my public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship
I am accountable to the public for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others and I must ensure that my public body uses its resources prudently and in accordance with the law.

Openness
I have a duty to be as open as possible about my decisions and actions, giving reasons for my decisions and restricting information only when the wider public interest clearly demands.

Honesty
I have a duty to act honestly. I must declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership
I have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of my public body and its members in conducting public business.

Respect
I must respect all other board members and all employees of my public body and the role they play, treating them with courtesy at all times. Similarly, I must respect members of the public when performing my duties as a board member.

SECTION 3: General Conduct

Respect and Courtesy

3.1 I will treat everyone with courtesy and respect. This includes in person, in writing, at meetings, when I am online and when I am using social media.

3.2 I will not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; I will advance equality of opportunity and seek to foster good relations between different people.

3.3 I will not engage in any conduct that could amount to bullying or harassment (which includes sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.

3.4 I accept that disrespect, bullying and harassment can be:

a) a one-off incident,
b) part of a cumulative course of conduct; or
c) a pattern of behaviour.

3.5 I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.

3.6 I accept that it is my responsibility to understand what constitutes bullying and harassment and I will utilise resources, including the Standards Commission's guidance and advice notes, my public body's policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.

3.7 Except where it is written into my role as Board member, and / or at the invitation of the Chief Executive, I will not become involved in operational management of my public body. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Executive Team.

3.8 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public. I will raise any concerns I have on such matters in private with senior management as appropriate.

3.9 I will not take, or seek to take, unfair advantage of my position in my dealings with employees of my public body or bring any undue influence to bear on employees to take a certain action. I will not ask or direct employees to do something which I know, or should reasonably know, could compromise them or prevent them from undertaking their duties properly and appropriately.

3.10 I will respect and comply with rulings from the Chair during meetings of:

a) my public body, its committees; and
b) any outside organisations that I have been appointed or nominated to by my public body or on which I represent my public body.

3.11 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has made a decision, I will support that decision, even if I did not agree with it or vote for it.

Remuneration, Allowances and Expenses

3.12 I will comply with the rules, and the policies of my public body, on the payment of remuneration, allowances and expenses.

Gifts and Hospitality

3.13 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services ("gift or hospitality") that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.

3.14 I will never **ask for** or **seek** any gift or hospitality.

3.15 I will refuse any gift or hospitality, unless it is:

a) a minor item or token of modest intrinsic value offered on an infrequent basis;
b) a gift being offered to my public body;
c) hospitality which would reasonably be associated with my duties as a board member; or
d) hospitality which has been approved in advance by my public body.

3.16 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.17 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a board member. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

3.18 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, my public body.

3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to my public body at the earliest possible opportunity and ask for it to be registered.

3.20 I will promptly advise my public body's Standards Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that my public body can monitor this.

3.21 I will familiarise myself with the terms of the Bribery Act 2010, which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality

3.22 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given.

3.23 I accept that confidential information can include discussions, documents, and information which is not yet public or never intended to be public, and information deemed confidential by statute.

3.24 I will only use confidential information to undertake my duties as a board member. I will not use it in any way for personal advantage or to discredit my public body (even if my personal view is that the information should be publicly available).

3.25 I note that these confidentiality requirements do not apply to protected whistleblowing disclosures made to the prescribed persons and bodies as identified in statute.

Use of Public Body Resources

3.26 I will only use my public body's resources, including employee assistance, facilities, stationery and IT equipment, for carrying out duties on behalf of the public body, in accordance with its relevant policies.

3.27 I will not use, or in any way enable others to use, my public body's resources:

a) imprudently (without thinking about the implications or consequences);
b) unlawfully;
c) for any political activities or matters relating to these; or
d) improperly.

Dealing with my Public Body and Preferential Treatment

3.28 I will not use, or attempt to use, my position or influence as a board member to:

a) improperly confer on or secure for myself, or others, an advantage;
b) avoid a disadvantage for myself, or create a disadvantage for others or
c) improperly seek preferential treatment or access for myself or others.

3.29 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.

3.30 I will advise employees of any connection, as defined at Section 5, I may have to a matter, when seeking information or advice or responding to a request for information or advice from them.

Appointments to Outside Organisations

3.31 If I am appointed, or nominated by my public body, as a member of another body or organisation, I will abide by the rules of conduct and will act in the best interests of that body or organisation while acting as a member of it. I will also continue to observe the rules of this Code when carrying out the duties of that body or organisation.

3.32 I accept that if I am a director or trustee (or equivalent) of a company or a charity, I will be responsible for identifying, and taking advice on, any conflicts of interest that may arise between the company or charity and my public body.

SECTION 4: Registration of Interests

4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.

4.2 I understand that regulations made by the Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a board member must register their registrable interests within one month of becoming a board member, and register any changes to those interests within one month of those changes having occurred.

4.3 The interests which I am required to register are those set out in the following paragraphs. Other than as required by paragraph 4.23, I understand it is not necessary to register the interests of my spouse or cohabitee.

Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:

a) employed;
b) self-employed;
c) the holder of an office;
d) a director of an undertaking;
e) a partner in a firm;
f) appointed or nominated by my public body to another body; or
g) engaged in a trade, profession or vocation or any other work.

4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, “Other Roles”.

4.7 I must register any allowances I receive in relation to membership of any organisation under Category One.

4.8 When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of my public body in terms of paragraph 6.8 of this Code.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.

4.11 When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

Category Two: Other Roles

4.13 I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.

4.14 I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Category Three: Contracts

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.20 below) have made a contract with my public body:

a) under which goods or services are to be provided, or works are to be executed; and
b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

Category Four: Election Expenses

4.17 If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.

Category Five: Houses, Land and Buildings

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.

4.19 I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.

Category Six: Interest in Shares and Securities

4.20 I have a registerable interest where:

a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or
b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

Category Seven: Gifts and Hospitality

4.21 I understand the requirements of paragraphs 3.13 to 3.21 regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Category Eight: Non–Financial Interests

4.22 I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).

Category Nine: Close Family Members

4.23 I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.

SECTION 5: Declaration of Interests

Stage 1: Connection

5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an interest.

5.4 A connection does not include being a member of a body to which I have been appointed or nominated by my public body as a representative of my public body or of which I am a member by reason of, or in implementation of, a statutory provision, unless:

a) The matter being considered by my public body is quasi-judicial or regulatory; or
b) I have a personal conflict by reason of my actions, my connections or my legal obligations.

Stage 2: Interest

5.5 I understand my connection is an interest that requires to be declared where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making.

Stage 3: Participation

5.6 I will declare my interest as early as possible in meetings. I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

5.7 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.

5.8 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take part in any discussion or decision-making on the matter in question unless, and until, the application is granted.

5.9 I note that public confidence in a public body is damaged by the perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.

SECTION 6: Lobbying and Access

6.1 I understand that a wide range of people will seek access to me as a board member and will try to lobby me, including individuals, organisations and companies. I must distinguish between:

a) any role I have in dealing with enquiries from the public;
b) any community engagement where I am working with individuals and organisations to encourage their participation and involvement, and;
c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with my public body (for example contracts/procurement).

6.2 In deciding whether, and if so how, to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to influence my, or my public body's, decision-making role.

6.3 I will not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of my public body or any statutory provision.

6.4 I will not, in relation to contact with any person or organisation that lobbies, act in any way which could bring discredit upon my public body.

6.5 If I have concerns about the approach or methods used by any person or organisation in their contacts with me, I will seek the guidance of the Chair, Chief Executive or Standards Officer of my public body.

6.6 The public must be assured that no person or organisation will gain better access to, or treatment by, me as a result of employing a company or individual to lobby on a fee basis on their behalf. I will not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which I accord any other person or organisation who lobbies or approaches me. I will ensure that those lobbying on a fee basis on behalf of clients are not given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming.

6.7 Before taking any action as a result of being lobbied, I will seek to satisfy myself about the identity of the person or organisation that is lobbying and the motive for lobbying. I understand I may choose to

act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that I understand the basis on which I am being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code and the Lobbying (Scotland) Act 2016.

6.8 I will not accept any paid work:

a) which would involve me lobbying on behalf of any person or organisation or any clients of a person or organisation.

b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence my public body and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of my public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

ANNEX A: BREACHES OF THE CODE

Introduction

1. The Ethical Standards in Public Life etc. (Scotland) Act 2000 ("the Act") provided for a framework to encourage and, where necessary, enforce high ethical standards in public life.

2. The Act provided for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies, imposing on councils and relevant public bodies a duty to help their members comply with the relevant code.

3. The Act and the subsequent Scottish Parliamentary Commissions and Commissioners etc. Act 2010 established the Standards Commission for Scotland ("Standards Commission") and the post of Commissioner for Ethical Standards in Public Life in Scotland ("ESC").

4. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of a public body's Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.

5. The first Model Code of Conduct came into force in 2002. The Code has since been reviewed and re-issued in 2014. The 2021 Code has been issued by the Scottish Ministers following consultation, and with the approval of the Scottish Parliament, as required by the Act.

Investigation of Complaints

6. The ESC is responsible for investigating complaints about members of devolved public bodies. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level.

7. On conclusion of the investigation, the ESC will send a report to the Standards Commission.

Hearings

8. On receipt of a report from the ESC, the Standards Commission can choose to:

- Do nothing;
- Direct the ESC to carry out further investigations; or
- Hold a Hearing.

9. Hearings are held (usually in public) to determine whether the member concerned has breached their public body's Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about the investigation and any conclusions as to whether the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code, it is obliged to impose a sanction.

Sanctions

10. The sanctions that can be imposed following a finding of a breach of the Code are as follows:

- **Censure**: A censure is a formal record of the Standards Commission's severe and public disapproval of the member concerned.

- **Suspension**: This can be a full or partial suspension (for up to one year). A full suspension means that the member is suspended from attending all meetings of the public body. Partial suspension means that the member is suspended from attending some of the meetings of the public body. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of the public body be reduced or not paid during a period of suspension.

- **Disqualification**: Disqualification means that the member is removed from membership of the body and disqualified (for a period not exceeding five years), from membership of the body. Where a member is also a member of another devolved public body (as defined in the Act), the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the Act.

Interim Suspensions

11. Section 21 of the Act provides the Standards Commission with the power to impose an interim suspension on a member on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the member and will consider whether it is satisfied:

- That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the member may try to interfere with evidence or witnesses); or
- That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found here.

12. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a member of a devolved public body, nor should it be viewed as a disciplinary measure.

ANNEX B: DEFINITIONS

“Bullying” is inappropriate and unwelcome behaviour which is offensive and intimidating, and which makes an individual or group feel undermined, humiliated or insulted.

"Chair" includes Board Convener or any other individual discharging a similar function to that of a Chair or Convener under alternative decision-making structures.

“Code” is the code of conduct for members of your devolved public body, which is based on the Model Code of Conduct for members of devolved public bodies in Scotland.

"Cohabitee" includes any person who is living with you in a relationship similar to that of a partner, civil partner, or spouse.

“Confidential Information” includes:

- any information passed on to the public body by a Government department (even if it is not clearly marked as confidential) which does not allow the disclosure of that information to the public;
- information of which the law prohibits disclosure (under statute or by the order of a Court);
- any legal advice provided to the public body; or any other information which would reasonably be considered a breach of confidence should it be made public.

"Election expenses" means expenses incurred, whether before, during or after the election, on account of, or in respect of, the conduct or management of the election.

“Employee” includes individuals employed:

- directly by the public body;
- as contractors by the public body, or
- by a contractor to work on the public body’s premises.

“Gifts” a gift can include any item or service received free of charge, or which may be offered or promised at a discounted rate or on terms not available to the general public. Gifts include benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. It can also include gifts received directly or gifts received by any company in which the recipient holds a controlling interest in, or by a partnership of which the recipient is a partner.

“Harassment” is any unwelcome behaviour or conduct which makes someone feel offended, humiliated, intimidated, frightened and / or uncomfortable. Harassment can be experienced directly or indirectly and can occur as an isolated incident or as a course of persistent behaviour.

“Hospitality” includes the offer or promise of food, drink, accommodation, entertainment or the opportunity to attend any cultural or sporting event on terms not available to the general public.

“Relevant Date” Where a board member had an interest in shares at the date on which the member was appointed as a member, the relevant date is – (a) that date;

and (b) the 5 April immediately following that date and in each succeeding year, where the interest is retained on that 5th April.

“Public body” means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“Remuneration" includes any salary, wage, share of profits, fee, other monetary benefit or benefit in kind.

“Securities” a security is a certificate or other financial instrument that has monetary value and can be traded. Securities includes equity and debt securities, such as stocks bonds and debentures.

“Undertaking” means:

a) a body corporate or partnership; or
b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

SECTION C

Standards of Business Conduct for NHS Staff

SECTION 1: INTRODUCTION

It is important that NHS Forth Valley and its employees maintain strict ethical standards in the conduct of NHS business and are protected from allegations of conflict of interest, acting improperly or breach of impartiality.

This Business Conduct standard reflects the three public service values which are:

Accountability
All work undertaken by NHS Forth Valley staff must be able to stand the test of scrutiny, public judgements on propriety and professional codes of conduct.

Probity
There should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff, and suppliers and in the use of information acquired in the course of NHS duties.

Openness
There should be sufficient transparency about NHS activities to promote confidence between NHS Forth Valley, its staff, and the public.

SECTION 2: AIM, PURPOSE, AND OUTCOMES

The purpose of this Business Conduct standard is to provide guidance to managers and employees of NHS Forth Valley regarding the acceptance of gifts and hospitality and on other matters relevant to standards of business conduct. This Code, and the related NHS Forth Valley Corporate Governance policies are based on legislation and NHS Circulars and Guidance documents:

- **The Legislative Framework** is contained in the Prevention of Corruption Acts 1906 and 1916 and the Ethical Standards in Public Life (Scotland) Act 2000.
- **NHS Circulars**
  - **MEL (1994) 80** entitled Corporate Governance in the NHS
  - **MEL (2000) 13,** entitled Fundraising, Income Generation and Sponsorship within the NHSiS**.**
- **Guidance** contained in the **Code of Accountability for Boards 1994** and **A Common Understanding; Guidance on Joint working between NHS Scotland and the Pharmaceutical Industry 2003**
- **The Bribery Act 2010**

A range of policy documents have been developed in NHS Forth Valley to address the requirements related to business conduct, as follows:
- The Code of Conduct for Board members
- The Standing Financial Instructions
- Theft, Fraud and Other Financial Irregularities
- Procurement Strategy
- The Whistleblowing Policy

SECTION 3: SCOPE

This Business Conduct standard will affect all employees of NHS Forth Valley

SECTION 4: PRINCIPAL CONTENT

4.1 Declaration of Interests

a) Staff are required to declare all cases where they or a close relative or associate of theirs has a controlling and/or significant financial interest in a private company, public organisation, other NHS employer or voluntary organisation which might leave the employee or NHS Forth Valley vulnerable.

b) NHS Forth Valley holds a Register of Interests and staff should declare any interests as defined above to the appropriate General Manager, using Appendix 1 (Register of Employee's Private Interests – Declaration Form).

c) Board members should declare any interests using Appendix 2 and this should be retained by the Board Secretary.

4.2 Acceptance of Gifts

Staff must never canvass or seek gifts or hospitality. Under no circumstances can staff accept personal gifts of cash. All donations of cash must be processed through the Board's Endowment arrangements.

It is acceptable for staff to receive small tokens of gratitude from a relative or carer in appreciation of care and treatment received. These are typically cards, chocolates, or biscuits. Where staff are offered gifts of greater value these must be politely refused. If this is difficult, they must refer the matter to their line manager.

It is acceptable for staff to receive small promotional items, e.g. post-its, pens, calendars, diaries. However,

- staff must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision NHS Forth Valley may be involved in determining, or who is seeking to do business with NHS Forth Valley.

- staff must not accept any offer, by way of gift or hospitality, which could give rise to a reasonable suspicion of influence on their part to show favour, or disadvantage, to any individual, organisation or company.

- staff should consider whether there may be a reasonable perception that any gift received by their spouse or partner or by any company in which they have an interest, or by a partnership of which they are a partner, can or would influence their judgement.

  Note - the term 'gift' includes benefits such as relief from indebtedness, loan concessions, or provision of services at a cost below that charged to members of the public.

4.3 Hospitality

Modest hospitality may be acceptable provided it is normal and reasonable in the circumstances e.g. lunches in the course of a working visit. Any hospitality accepted should be similar in scale to that which the NHS as an employer would be likely to offer. **All other offers of hospitality should be declined.**

Staff should register with their line manager all such modest hospitality which they wish to accept, using the hospitality register declaration form (Appendix 3). In cases of doubt, staff should seek advice from their line manager.

It may not always be clear whether an individual is being invited to an event involving the provision of hospitality (e.g. formal dinner) in a personal/private capacity or as a consequence of the position which they hold with NHS Forth Valley.

(a) If the invitation is the result of the individual's position within NHS Forth Valley, only hospitality which is modest and normal and reasonable in the circumstances should be accepted. If the nature of the event dictates a level of hospitality which exceeds this, then the individual should ensure that their line manager is fully aware of the circumstances and approves their attendance. An example of such an event might be an awards ceremony involving a formal dinner. If the line manager grants approval to attend, the individual should declare their attendance in the register of hospitality held by their line manager. The approving manager must ensure that this will not result in any future conflict of interest.

(b) If the individual is invited to an event in a private capacity (e.g. as result of their qualification or membership of a professional body), they are at liberty to accept or decline the invitation without referring to their line manager. The following matters should however be considered before an invitation to an individual acting in a private capacity is accepted.

(c) The individual should not do or say anything at the event that could be construed as representing the views and/or policies of NHS Forth Valley.

(d) If the body issuing the invitation has (or is likely to have or is seeking to have) commercial or other financial dealings with NHS Forth Valley, then it could be difficult for an individual to demonstrate that their attendance was in a private and not an official capacity. Attendance could create a perception that the individual's independence had been compromised, especially where the scale of hospitality is lavish. Individuals should therefore exercise caution before accepting invitations from such bodies and must inform their line manager.

(e) Where suppliers of clinical products provide hospitality, it should only be accepted in association with scientific meetings, clinical educational meetings or equivalent, which must be modest, normal, and reasonable in the circumstances and in line with what the NHS would normally provide. Any such hospitality should be held in appropriate venues conducive to the main purpose of the event, e.g. the sponsorship is clearly disclosed in any papers relating to the meeting; products discussed should be described in relation to the Scottish Medicines Consortium, Formulary or equivalent clinical product catalogue and the active promotion of clinical products is restricted to those in the Board's Formulary and equivalent clinical product catalogues. Any educational meetings hosted by suppliers must be approved by the line manager.

(f) Before accepting an offer of hospitality, the individual concerned should fill in a Registering Hospitality Declaration Form (attached as appendix 3) and have it approved by their line manager. A copy of the request form will be held as part of a Hospitality Register which will be available for scrutiny by the NHS Board, Corporate Management Team, members of the public or press should they request such information. The arrangements for the administration of the process will be set out locally.

NHS Forth Valley as a public body must be able to demonstrate good value when incurring expenditure. Consideration must be given to the use of NHS Forth Valley venues for hospitality and entertainment including hospitality at conferences and other external events.

All NHS Forth Valley staff who participate in or authorise the provision of hospitality involving external organisations must be able to ensure that their conduct is capable of justification in the light of the public service values outlined.

4.4 Bribery Act 2010

NHS Forth Valley will uphold all laws relevant to countering bribery and corruption, including the Bribery Act 2010 (the Act). This commitment applies to every aspect of NHS Forth Valley's activity, including dealings with public and private sector organisations and the delivery of care to patients.

The Act recognises a number of offences including the following:

- The offering, promising, or giving of a bribe (active bribery).

- The requesting, agreeing to receive or accepting of a bribe (passive bribery).

Any employee who commits active or passive bribery will be subject to disciplinary action. In addition, the matter will be referred to relevant authorities for criminal investigation.

The Act also recognises a further offence of corporate liability for failing to prevent bribery on behalf of a commercial organisation. (For the purposes of the Act, NHS Boards are considered commercial organisations.) NHS Forth Valley has put in place a range of measures intended to prevent bribery and these are subject to formal and regular review to ensure they remain fit for purpose.

4.5 Assessment and training visits for new equipment

It is not acceptable for individuals within NHS Forth Valley to accept offers of travel or overnight accommodation except where such visits do not relate to the purchase of equipment but are to do with training or familiarisation of equipment which it has already been determined will be purchased. In these circumstances it is acceptable for the cost to be met by the manufacturer or supplier.

Whilst it will be necessary for staff advising on the purchase of equipment to inspect such equipment in operation in other parts of the country or exceptionally overseas, acceptance of an offer by the manufacturer to meet the costs of such visits may cast doubts on the integrity of subsequent purchasing decisions. NHS Forth Valley will

therefore meet the costs of any visits which are considered necessary. Any such visits will require to be authorised by the appropriate line manager.

4.6 Commercial Contracts

All staff who are in contact with suppliers and contractors - including external consultants - and particularly those who are authorised to sign purchase orders or place contracts for goods, materials or services are expected to adhere to professional standards as set out in the Ethical Code of the Institute of Purchasing and Supply.

4.7 Secondary Employment

Staff should seek permission from their line manager if they are planning to undertake paid work outwith their employment with NHS Forth Valley to ensure there is no conflict of interest with their post in NHS Forth Valley.

SECTION 5: ROLES AND RESPONSIBILITIES

5.1 All staff

(a) It is a basic principle in all parts of the public service that public servants must be scrupulously impartial and honest, that they must be seen to be so and that they must be beyond suspicion in all aspects of business conduct.

(b) This primary responsibility applies to **all NHS staff** - those who commit NHS resources directly e.g. by the ordering of goods, those who do so indirectly e.g. by the prescribing of medicines or those who advise on the commitment of resources. Therefore, all staff must comply with the following responsibilities:

- To ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their NHS duties.
- To ensure that the interests of patients remain paramount at all times.
- To be impartial and honest in the conduct of their official business.
- To use public funds entrusted to them to the best advantage of the service, always ensuring value for money.
- Not to abuse their official position for personal gain or to benefit their family or friends.
- Not to seek to advantage or further their private business or other interests in the course of their official duties.
- Not to accept gifts or bequests which will directly or indirectly benefit them, or put pressure on patients, or others to make donations to other people or organisations.

- Not to accept gifts or hospitality liable to raise any questions regarding their judgement or impartiality. Staff should decline all offers of gifts, hospitality, or entertainment except as defined in paragraph 4.2 above.

5.2 Line Managers

Line managers are required:

- To maintain the hospitality register for their area of responsibility.
- To maintain a register of employee's private interests.
- To advise the Corporate Business Manager of the above to ensure the central organisational register is update to date.

Appendix 1

Register of Employee's Private Interests

Declaration Form

I hereby declare the following private interests, which may be material and relevant to NHS business. This declaration is made in accordance with the terms of NHS Forth Valley's Code of Conduct.

Registerable Interest	Description of Interest
Remuneration	
Related undertaking	
Contracts	
Houses, land, and buildings	
Shares and securities	
Non-financial interests	

I understand these interests will be entered into a register held by the department manager or equivalent and which is available to the public. Any material changes to my circumstances will be notified to the department manager of equivalent, so that the information can be updated.

Signed: _____ Date: _____

Name (please print) _____ **Appendix 2**

Register of Interest in respect of:

Registered Interest	**Description of Interest**
Remuneration	
Other Roles	
Contracts	
Election Expenses	
Houses, Land and Buildings	
Shares and Securities	
Gifts and Hospitality	

Non-Financial Interests	
Close Family Members	

Register of Interests – Guidance Notes

Remuneration

(i) I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:

a) employed;
b) self-employed;
c) the holder of an office;
d) a director of an undertaking;
e) a partner in a firm;
f) appointed or nominated by my public body to another body; or
g) engaged in a trade, profession or vocation or any other work.

(ii) I understand that in relation to (i) above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.

(iii) I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two,
'Other Roles'.

(iv) I must register any allowances I receive in relation to membership of any organisation under Category One.

(v) When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

(vi) When registering remuneration from the categories listed in paragraph (i) (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of my public body in terms of paragraph 6.7 of the Code.

(vii) Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.

(viii) When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.

(ix) I understand that registration of a pension is not required as this falls outside the scope of the category.

Other Roles

(i) I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.

(ii) I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Contracts

(i) I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in **Shares and Securities** below) have made a contract with my public body:

a) under which goods or services are to be provided, or works are to be executed; and
b) b) which has not been fully discharged.

(ii) I will register a description of the contract, including its duration, but excluding the value.

Election Expenses

(i) If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.

Houses, Land and Buildings

(i) I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.

(ii) I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.

Shares and Securities

(i) I have a registerable interest where:

a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or
b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

Gifts and Hospitality

(i) I understand the requirements of paragraphs 3.13 to 3.21 of the Code regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Non-Financial Interests

(i) I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are

those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).

Close Family Members

(i) I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.

Appendix 3

Registering of Hospitality

Declaration Form

Hospitality offered to: (Name, title, department)	
Person of Organisation offering or providing the Hospitality and date	
Nature of Hospitality	
Estimated or actual value of Hospitality	
Any reasons for accepting, returning or refusing the Hospitality	
Authorised by: (Please print name and title)	

Please complete this form for any hospitality received and return to your line manager.

SECTION D

The Fraud Standards and Policy

The Fraud Standards

Fraud Policy

1 Introduction

2 Purpose of the Fraud Standards

3 Public service values

4 NHS Forth Valley Policy, Public Interest Disclosure Act 1998, the Bribery Act 2010 and the Whistleblowing arrangements

5 Roles and responsibilities

Response Plan

6 Introduction

7 Reporting theft, fraud, embezzlement, bribery and corruption

8 Managing the investigation

9 Disciplinary/dismissal procedures

10 Gathering evidence

11 Disclosure of loss from fraud

12 Police involvement

13 Press release

14 Resourcing the investigation

15 The law and its remedies

Key Contacts

Annex 1

FRAUD POLICY

1. Introduction

1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk and the means of enforcing the rules against fraud, theft and other illegal acts involving embezzlement, bribery, corruption, dishonesty, or damage to property. This policy and response plan forms part of the Partnership Agreement between NHS Scotland Counter Fraud Services (CFS) and Health Boards and Appendix II of the Partnership Agreement (PA), Fraud, Bribery & Corruption Protocol (model policy and response plan) provides further detailed direction and help to staff dealing with circumstances suspected to be fraud.

1.2 NHS Forth Valley (the Board) has procedures in place that reduce the likelihood of fraud occurring. These include Standing Orders (SOs), Standing Financial Instructions (SFIs), operational procedures, a system of internal control and risk assessment. NHS Forth Valley engages CFS to promote a fraud awareness culture through a range of products and services. The PA outlines what must happen in the event of a fraud or other irregularity being discovered and includes reference to the Board and CFS proactively detecting and investigating fraud and assessing the risk of fraud and forms a key element of the Scottish Government's determination to counter fraud against NHS Scotland. This guidance is in line with the PA between NHS Forth Valley and the NHS Scotland Counter Fraud Services.
(See: Partnership Agreement (scot.nhs.uk)) In addition NHS Forth Valley also participates in the National Fraud Initiative (NFI) data matching exercise coordinated by Audit Scotland.

2. Purpose of the Fraud Standards

2.1 The purpose of this document is to provide guidance to employees on the action, which should be taken when fraud, theft, embezzlement, bribery or corruption is suspected. Such occurrences may involve employees of NHS Forth Valley, Suppliers/Contractors or any third party. This document sets out the Board's policy and response plan for detected or suspected fraud. It is not the purpose of this document to provide direction on the prevention of fraud. NHS Scotland's policy on countering fraud is detailed in the Health Board Partnership Agreement 2022-25. The PA forms a key element of the Scottish Government's determination to counter fraud against NHS Scotland.

2.2 The Partnership Agreement is referenced in the Fraud section of the Scottish Public Finance Manual. This can be found at:
https://www.gov.scot/publications/scottish-public-finance-manual/fraud-and-gifts/fraud/

2.3 Whilst the exact definition of theft, fraud or corruption is a statutory matter, the following working definitions are given for guidance:

- Theft is taking/removing property belonging to NHS Forth Valley, its staff or patients with the intention of permanently depriving the owner of its use, without their consent.
- Fraud or corruption broadly covers deliberate material misstatement, falsifying records, making or accepting improper payments or acting in a manner not in the best interest of the Board for the purposes of personal gain.

- Embezzlement is the felonious appropriation of property (i.e a thing or things belonging to someone) that has been entrusted to the accused with certain powers of management or control.

For simplicity this document will refer to all such offences as "*fraud*", except where the context indicates otherwise.

2.4 NHS Forth Valley already has procedures in place, which reduce the likelihood of fraud/theft occurring. These are included within the Standing Orders, Standing Financial Instructions and accounting procedures, a system of internal control and a system of risk assessment. The Board also engages in the post payment verification programme in relation to the validity and accuracy of payments made to Family Health Service contractors for Primary Care Services.

2.5 It is the responsibility of NHS Forth Valley and its management to maintain adequate and effective internal controls, which deter and facilitate detection of any fraud. The role of Internal Audit is to evaluate these systems of control. It is not the responsibility of Internal Audit to detect fraud, but rather to identify weaknesses in systems that could potentially give rise to error or fraud.

3. Public service values

3.1 High standards of corporate and personal conduct based on the recognition that patients come first, have been a requirement throughout the NHS since its inception. The Code of Conduct published by the Scottish Government Health Department (SGHSCD) in April 1994 (revised 2004) set out the following public service values:

Accountability: Everything done by those who work in the organisation must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.

Probity: Absolute honesty and integrity should be exercised in dealing with NHS patients, assets, staff, suppliers and customers.

Openness: The organisation's activities should be sufficiently public and transparent to promote confidence between the organisation and its patients, staff and the public.

3.2 All those who work in the organisation should be aware of, and act in accordance with, the above values. In addition, NHS Forth Valley will expect and encourage a culture of openness between NHS bodies and the sharing of information in relation to any fraud.

4. NHS Forth Valley Policy, Public Interest Disclosure Act 1998 and Bribery Act 2010

4.1 NHS Forth Valley is committed to the NHS Scotland Counter Fraud Strategy and to the public service values outlined above. NHS Forth Valley is dedicated to maintaining an honest, open and well-intentioned atmosphere within the service and to the deterrence, detection and investigation of any fraud within the organisation.

4.2 NHS Forth Valley encourages anyone having reasonable suspicion of fraud, theft, embezzlement, bribery or corruption to report the incident. It is NHS Forth Valley policy that no staff member will suffer in any way as a result of reporting any reasonably held

suspicions. For these purposes "*reasonably held suspicions*" shall mean any suspicions other than those which are groundless and/or rose maliciously.

4.3 In addition, the Public Interest Disclosure Act 1998 protects whistleblowers from negative treatment or unfair dismissal. The disclosure must be made in good faith and workers must have reasonable grounds to believe that criminal offences such as fraud or theft have occurred or are likely to occur. The disclosure must not be made for personal gain.

4.4 NHS Forth Valley Whistleblowing Arrangements Policy aims to ensure that staff can safely raise concerns where they are witness to risk, malpractice or wrongdoing that affects others. Employees can be assured that concerns raised in good faith will be protected under current legislation. NHS Forth Valley staff can continue to raise any concerns with their line manager in the first instance and they can also seek support and advice from Human Resources (HR), staff-side representatives and occupational health in line with existing policies and procedures. Staff wishing to raise a concern under the Whistleblowing Policy should discuss this with one of the Confidential Contacts, whose details are given on the Intranet and available via e-mail. Details of the support available to staff and copies of current national and local policies (including the Bullying and Harassment Policy and Grievance Policy) can be found in the HR Connect section of the NHS Forth Valley staff intranet. Confidential Contacts are available via email on fv.confidentialcontact@nhs.scot or by telephone **01324 566415.**

4.5 Whistleblowing standards have been introduced from 1 April 2021 across NHS Scotland. The standards include the role of an Independent National Whistleblowing Officer which forms part of the Scottish Public Services Ombudsman. The phone line, 0800 008 6112 is open to anyone who wishes to raise concerns about practices in NHS Scotland. The focus of the new National Whistleblowing Policy in NHS Scotland is to:

- help staff raise concerns as early as possible, and,
- support and provide protection for staff when they raise concerns.

The Whistleblowing standards aim to support an open fair and just culture, where concerns can be raised early and dealt with promptly and professionally. The process set out by the National Whistleblowing Standards is a formal process.

4.6 Whilst we would encourage staff to raise any concerns or complaints through existing Board procedures, the National Confidential Alert Line for NHS Scotland employees has been established to provide an additional level of support for NHS employees who may wish to raise a concern about practices in NHS Scotland. This service is run by Protect on https://protect-advice.org.uk/, an independent whistleblowing charity. The Alert Line offers independent, confidential advice from legally trained expert staff on whether and how to raise a concern and can be contacted on 020 3117 2520. Further choices available to staff, patients and members of the public for reporting suspicions of fraud (either anonymously or as a named individual) are:

- the CFS Fraud Hotline, which is now powered by Crimestoppers, on 08000 15 16 28; or
- directly through the CFS Website on www.cfs.scot.nhs.uk.

4.7 The NHS Forth Valley Policy on Standards of Personal Business Conduct describes the minimum Standards of Business Conduct expected from all NHS staff. It is the responsibility of staff to ensure that they do not place themselves in a position which risks, or appears to risk, conflict between their private interests and their NHS duties.

Under the Bribery Act 2010:

- It is a criminal offence to give, promise or offer a bribe and to request, agree to receive or accept a bribe either at home or abroad.
- The maximum penalty for bribery was increased from seven to 10 years imprisonment with an unlimited fine.
- It is a corporate offence of failure to prevent bribery by persons working on behalf of a business, which means that NHS Forth Valley can be exposed to criminal liability, punishable by an unlimited fee if it fails to prevent bribery by not having adequate procedures in place that are robust, up to date and effective. The corporate offence is not a standalone offence and will follow from a bribery / corruption offence committed by an individual associated with NHS Forth Valley, in the course of their work. NHS Forth Valley therefore takes its legal responsibilities very seriously.

4.8 If a bribery offence is proved to have been committed by an outside body corporate with the consent or connivance of a director or senior officer of NHS Forth Valley, under the Act, the director or senior officer would be guilty of an offence (section 14 offence) as well as the body corporate which paid the bribe.

4.9 Staff must be aware that a breach of the provisions of this Act renders them liable to prosecution and may also lead to potential disciplinary action and the loss of their employment and superannuation rights within the NHS.

4.10 NHS Forth Valley does not tolerate any form of bribery, whether direct or indirect by its staff, agents or external consultants or any persons or entities acting for it or on its behalf.

4.11 The success of NHS Forth Valley anti-bribery measures depend on all employees, and those acting for NHS Forth Valley playing their part in helping to detect and eradicate bribery. Therefore, all employees and others acting for or on behalf of NHS Forth Valley are encouraged to report any suspected bribery (see sections 4.4 & 4.6 on ways of reporting).

5. Roles & responsibilities

5.1 As the Accountable Officer, the Chief Executive has the responsibility for countering fraud in its broadest terms. Accountable Officers are required to have adequate arrangements in place for the deterrence, prevention and detection of fraud. Responsibility for receiving information relating to suspected frauds has been delegated to the Fraud Liaison Officer (FLO). This individual is responsible for informing third parties such as CFS, Internal Audit and External Audit or the Police (where appropriate) when suspicions of potential fraud are brought to their attention, either directly or indirectly. The Scheme of Delegation included as Annex D within the Standing Orders of the Board state that the Authorised Deputy FLO is the Director of Finance.

5.2 The FLO shall inform and consult the Chief Executive and/or Director of Finance in cases where the loss may be above the delegated limit or where the incident may lead to adverse publicity. The FLO will advise the Director of Finance on any potential referral to CFS. The roles and responsibilities of NHS Fraud Liaison Officers are set

out within Annex B of CEL 11 (2013) Strategy to Combat Financial Crime in NHS Scotland' https://www.sehd.scot.nhs.uk/mels/CEL2013_11.pdf

5.3 Where a fraud is suspected within the service including Primary Care Services such as independent contractors providing Medical, Dental, Ophthalmic or Pharmaceutical Services, the FLO will make an initial assessment and, where appropriate, advise CFS. All staff have a duty to protect the assets of the Board, which include: information, physical property and cash. The Board will maintain an honest and open culture and wishes to encourage anyone having suspicions of fraud, embezzlement, bribery, corruption or systematic theft to report them without delay.

5.4 The roles and responsibilities of the Board's nominated Counter Fraud Champion are set out within https://www.sehd.scot.nhs.uk/mels/CEL2013_11.pdf
The contact details of the Counter Fraud Champion (CFC) are included in the Key Contacts listed in Annex 1 below. The CFC role is to help with the process of promoting a counter fraud message within the organisation and is vital in representing counter fraud issues at Board level and communicating to staff to promote an anti-fraud culture.

5.5 The Director of People, or nominated deputy, shall advise those involved in the investigation on matters of employment law and other procedural matters, such as disciplinary and complaints procedures.

5.6 Where the incident is thought to be subject to either local or national controversy and publicity then the Board and the Scottish Government Health and Social Care Directorates should be notified before the information is subjected to publicity. It should be added that under no circumstances should a member of staff speak or write to representatives of the press, TV, radio, other third parties or publicise details about a suspected fraud/theft on Social Network Sites, blogs or Twitter. Employees must ensure that no action take, could give rise to an action for slander or libel.

5.7 It is necessary to categorise the irregularity prior to determining the appropriate course of action. Two main categories exist:

- Theft, burglary and isolated opportunist offences; and
- Fraud, corruption and other financial irregularities.

5.8 The former will be dealt with directly by the Police whilst the latter may require disclosure under the SGHD NHS Circular No. HDL (2002) 23 – Financial Control: Procedure where Criminal Offences are suspected.

5.9 The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, assisted by the Cabinet Office. Data analytics compare information about individuals held by different public bodies, on different financial systems and databases to identify circumstances (matches) that might suggest the existence of fraud or error. The NFI allows public bodies to investigate these matches and, if fraud or error has taken place, to stop payments and attempt to recover the amounts involved auditors to assess the arrangements that the bodies have put in place to prevent and detect fraud. This Board participates in this exercise which is carried out every two years.

RESPONSE PLAN

6. Introduction

6.1 The following sections describe NHS Forth Valley's intended response to a reported suspicion of theft, fraud, embezzlement, bribery or corruption. It is intended to provide procedures, which allow for gathering and collating evidence in a manner that will facilitate an informed initial decision, while ensuring that evidence gathered will be admissible in any future criminal or civil action.
Each situation is different; therefore the guidance will need to be considered carefully in relation to the actual circumstances of each case before action is taken.

7. Reporting theft, fraud and corruption

7.1 Where an NHS colleague is suspected of theft, fraud, embezzlement, bribery or corruption then it is imperative that advice is sought from HR at the earliest opportunity. However, in the first instance any suspicion of fraud, theft, embezzlement, bribery or corruption should be reported to the relevant Head of Department. If the suspected theft, fraud, embezzlement, bribery or corruption involves the Head of Department then any suspicion should be reported in writing to a more senior officer or directly to the Fraud Liaison Officer (FLO). The contact details for the FLO are shown in the Key Contacts listed in Annex 1 below.

7.2 Once a suspicion regarding an NHS colleague has been reported then it is essential that contact should be made with HR before proceeding with any internal investigation. This will allow senior HR officers and line managers to make any decision on potential suspension or Police involvement. It will also allow discussion and agreement between the Head of Department/senior officer and HR regarding formal referral of the suspicion to the FLO. Once an agreement is reached, the suspicion and the grounds for that suspicion should be submitted to the FLO. If a suspicion relates to desirable medication or Controlled Drug (schedules 2, 3, 4 & 5) under the Misuse of Drugs Act 1971, the Controlled Drugs Accountable Officer* (who is also the Director of Pharmacy) should be contacted to enable a risk assessment to be undertaken.

* The roles and responsibilities of CDAOs are governed by the Controlled Drugs (Supervision of Management and Use) Regulations 2013.

7.3 Where the suspicion relates to potential or actual fraud or corruption, information provided will be utilised by the FLO to populate a CFS1 form for formal referral of the matter to CFS who will consider the referral and take a view on whether a criminal investigation is justified.

7.4 For incidents involving Executive Directors of the Board, the FLO should contact the Chair of the Board or the Chair of the Audit and Risk Committee. It is important to act quickly when a suspicion is reported in order to minimise further losses to the Board. This also allows action to be taken to secure evidence required for any future proceedings; criminal or disciplinary.

7.5 Where the subject of the suspected theft, fraud, embezzlement, bribery or corruption is not an NHS colleague then the suspicion should be reported in writing to the Head of Department. It is important to capture as much information as is readily available regarding the person (or persons) suspected of fraud, theft or corruption for reporting to the FLO. The Head of Department and the FLO will then discuss and agree the most appropriate way forward, which may or may not include reporting the matter to Police Scotland and/or CFS.

7.6 For all instances where fraud or corruption is suspected a "nominated officer" will be appointed as the main point of contact for all stakeholders. For NHS Forth Valley, this officer is the FLO (see paragraph 5.1 above). In the absence of the FLO, the Deputy FLO will deal with the issue. For incidents involving any Executive Directors of the Board, the FLO will liaise with the nominated officer, who will be the Board Chairperson. It is important to act quickly when a suspicion is reported in order to minimise further losses to the Board and to allow action to be taken to secure any evidence that may be required for any future disciplinary or criminal proceedings.

7.7 CEL 44 (2008) updated the required reporting standards in a revised SFR 18 (Scottish Financial Return). The SFR 18 forms part of the Board's annual accounts and the change was to improve reporting of all relevant items. The purpose of enhanced recording and reporting is to enable the Scottish Government and NHS bodies to better understand the scale and types of identified NHS frauds, the categories within which these fall, the amounts involved, where applicable (since not all frauds/attempted frauds reported will have an attributable cost), and recoveries made.

7.8 The FLO will maintain a log of any reported suspicions of fraud, theft or corruption. The log will document, with reasons, the decision to take further action or to take no further action. The log will also record any actions taken and conclusions reached. This log will be utilised to help populate the Boards SFR 18.2 form which forms part of the Board's annual accounts.

7.9 The nominated officer (i.e the FLO) should consider the need to inform the NHS Forth Valley Board, the Counter Fraud Champion (CFC), the Chief Internal Auditor, External Audit, the Police and CFS, of the reported incident. In doing so, cognisance should be taken of the following guidance:

- Inform and consult the Director of Finance and the Chief Executive at the first opportunity, in all cases where the loss may exceed the delegated limit (or such lower limit as NHS Forth Valley may determine) or where the incident may lead to adverse publicity.
- In all cases where fraud, embezzlement, bribery, corruption or systematic thefts are suspected, it is essential that there is the earliest possible consultation with CFS, who should be contacted immediately by the FLO. CFS will then advise if Police Scotland need also be involved.
- In any event, CFS should be contacted before any overt action is taken that may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls.
- If a criminal act is suspected, particularly fraud or corruption, it is essential that there is the earliest possible consultation with the Police. The Police should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls.
- At the stage of contacting the Police, the FLO should contact the Director of Human Resources to consider whether/when to initiate suspension of the employee pending an enquiry.

7.10 All such contact should be formally recorded in the Log. It should be noted that staff who wish to raise concerns about unprofessional behaviour or decisions (where fraud, theft, embezzlement, bribery or corruption are not suspected) should do so by following

the guidance contained in the NHS Forth Valley Whistleblowing Policy. Following investigation of the complaint, if improper practices or criminal offences are suspected, the matter should be referred by the investigating officer to the FLO.

8. Managing the investigation

8.1 The decision on whether a referral is progressed by CFS as a criminal investigation is usually taken following correspondence between the FLO and CFS and usually involves an initial meeting to consider the available evidence. If the referral involves an employee of the Board then HR involvement in any initial meeting is crucial to avoid any conflict with ongoing or future disciplinary processes. The officer leading the criminal investigation will be Counter Fraud Specialist from CFS. The circumstances of each case will dictate who will be involved and when.

8.2 The manager overseeing the investigation (referred to hereafter as the "investigation manager") should initially:

- initiate a diary of events to record the progress of the investigation.
- if possible, determine the nature of the investigation i.e. whether fraud or another criminal offence. In practice it may not be obvious if a criminal event is believed to have occurred. If this is established the Police, External Audit and the Chief Executive should be informed if this has not already been done.

8.3 CFS staff, acting on behalf of the Director of Finance on any matters related to the investigation of fraud) are entitled without necessarily giving prior notice to require and receive:

a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case they shall have a duty to safeguard that confidentiality), within the confines of the data protection act;
b) Access at all reasonable times to any land, premises or employees of the Board;
c) The production or identification by any employee of any cash, stores or other property of the Board under an employee's control; and
d) Explanations concerning any matter under investigation.

8.4 If after initial CFS enquiries it is determined that there are to be no criminal proceedings then an internal investigation by NHS Forth Valley may be more appropriate. In this instance, all information/evidence gathered by CFS will be passed to NHS Forth Valley. The internal investigation will then be taken forward as appropriate in line with Employment Law, Once for Scotland policies and relevant HR policies such as the Management of Employee Conduct Policy.

8.5 Any formal internal investigation to determine and report upon the facts, should establish:

- the extent and scope of any potential loss.
- if any disciplinary action is required.
- the criminal or non-criminal nature of the offence (if not yet established).
- what can be done to recover losses.
- what may need to be done to improve internal controls to prevent any recurrence.

8.6 Where the report confirms a criminal act, and notification to the Police has not yet been made, then a formal report should be submitted to Police Scotland at that point.

8.7 This report should form the basis of any internal disciplinary action taken. The conduct of internal disciplinary action will be assigned to the Director of People or delegated officer within the Directorate, who shall gather such evidence as necessary.

8.8 Where recovery of a loss to NHS Forth Valley is likely to require a civil action, arising from any act (criminal or non-criminal), it will be necessary to seek legal advice through the Central Legal Office (CLO), which provides legal advice and services to NHS Scotland.

9. Disciplinary/dismissal procedures

9.1 Consideration should be made in conjunction with CFS/CFC/FLO on whether/when to suspend the employee(s) who are subject to any investigation, pending the results of the investigation.

9.2 In any disciplinary action taken by the NHS Forth Valley toward an employee, the Once for Scotland disciplinary procedures have to be followed (including dismissal). This may involve the person in charge of the investigation recommending a disciplinary hearing to consider the facts, reflect on the results of the investigation and recommendations on any further appropriate action, to the employee's line manager. Where the fraud involves, e.g. a regulated health professional, and/or a Primary Care Services Practitioner the Board should pass the matter over to the relevant professional body for action.

9.3 In every case where it is proposed to proceed to a disciplinary hearing whilst there is a criminal case pending based on the same or related allegations, the advice of Central Legal Office/external equivalent is to be sought before proceeding. There is no requirement under the criminal law for staff to be retained on full pay pending the criminal case. However, it may be considered inappropriate to proceed with a disciplinary hearing if the individual concerned declines to attend. In every such case, CLO will advise on whether the evidence is in itself sufficiently strong and compelling to justify dismissal in absentia, if necessary. In practice, such action will be the exception rather than the rule.

10. Gathering evidence

10.1 This policy cannot cover all the complexities of gathering evidence. Each case must be progressed based on the individual circumstances of the case, taking professional advice as necessary (including advice from CLO where deemed appropriate). Where CFS decides not to pursue a criminal investigation, for whatever reason, the recommended next steps may involve an internal, Board-level investigation. In these circumstances it is important that the gathering of evidence is carried out in a methodical and consistent way.

10.2 If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff, preferably from the HR Directorate, to take a chronological record using the witness's own words. The witness should sign the statement only if satisfied that it is a true record of his or her own words. In

circumstances where the witness is the Fraud Liaison Officer then the "role" of Fraud Liaison Officer moves to the next most senior member of staff.

10.3 At all stages of the investigation, any discussions or interviews should be documented and where feasible agreed with the interviewee.

10.4 Physical evidence should be identified and gathered together in a secure place at the earliest opportunity. An inventory should be drawn up by the investigating officer and held with the evidence. To prevent any changes being made to the original evidence, where possible, a replacement or alternative record should be implemented for business continuity. It is essential that the evidence is kept intact. If evidence consists of several items, for example a number of documents, each one should be tagged with a reference number corresponding to the written record. Care with evidence gathering is important, as that which may initially be treated as a discipline case could become a criminal prosecution at a later stage.

10.5 Where evidence is believed to be held on: individual computers; laptops; smartphones; tablets; camera systems; or on a business network, CFS will provide advice in the first instance to the Board on developing a plan to secure digital evidence. Great care should be taken where there is a need to secure copies of files, emails and logs, and strict procedures must be followed to allow this type of evidence to be admissible in prosecution proceedings. Accessing this information prior to securing a forensic image may be considered by a Court as tampering with the evidence and it may be ruled inadmissible.

11. Disclosure of loss from fraud

11.1 Guidance on the referring of losses and special payments is provided in CEL 10 (2010) – Revised Scottish Financial Return (SFR) 18: Enhanced Reporting of NHS Frauds and Attempted Frauds. This includes reporting of all forms of irregular activity which suggest that fraud may have taken place, even if the evidence is not of a standard that can be used for prosecution. Scottish Financial Return (SFR) 18.0 on Losses and Compensation Payments is submitted annually to the Audit and Risk Committee as part of the Annual Accounts. SFR 18 should include all losses, with appropriate description, aligned within the standard categories specified by the SGHSCD. External Audit should be notified of any loss as part of their statutory duties.

11.2 Management must take account of the permitted limits on writing off losses for "Category 2 Boards", as outlined in Annex C of CEL 10 (2010).

11.3 It will be important for the Director of Finance to consider actions to be taken to minimise the risk of a potential repeat of the incident. The actions could include a review of lessons learnt and completion of a risk assessment by internal audit or consideration of a Fraud Risk Assessment by CFS. Any lessons learned should for example, be disseminated to the Service through the internal audit network or by using the CFS bulletins.

12. Police Involvement

12.1 It is expected that, wherever a criminal act is suspected, but which falls out-with the remit of Counter Fraud Services, the matter will be notified to Police Scotland as follows:

- During normal working hours, it will be the decision of the Director of Finance as to the stage that the Police are contacted. If the Director of Finance is unavailable, this decision will be delegated to the FLO.
- Outwith normal working hours, the manager on duty in the area where a criminal act is suspected should always report the matter to the Senior Manager and Executive Director On Call. It will be the decision of the Executive Director On Call as to the stage that the Police are contacted. In any case the manager on duty in the area where a criminal act is suspected should always report the matter to the Director of Finance and the FLO at the earliest possible time.

12.2 The nominated officer (the FLO) and investigating manager should informally notify the Police of potential criminal acts, to seek advice on the handling of each investigation at an early stage in the investigation.

12.3 Formal notification of a suspected criminal act will normally follow completion of the investigating manager's report and formal disciplinary action. It is important that the internal report is carried out in a timely manner to avoid delaying the Police investigation.

13. Press Release

13.1 To avoid potentially damaging publicity to the NHS and/or the suspect, NHS Forth Valley should prepare at an early stage, a Press release, giving the facts of any suspected occurrence and any actions taken to date e.g. suspension. The Communications Team within CFS, the CLO and the Police should agree the release where applicable.

13.2 Under no circumstances should a member of staff speak or write to representatives of the press, TV or radio, about a suspected fraud without the express authority of the Chief Executive.

13.3 The Officer in Charge of the criminal case, whether from CFS or Police Scotland, will be responsible for collaborating with the Board's communications department in relation to preparing and agreeing the timing and content of an appropriate press release.

14. Resourcing any internal investigation

14.1 The Director of Finance will determine the type and level of resource to be used in investigating any suspected fraud. The choices available will include:

- Staff from within NHS Forth Valley
- Internal Audit
- Specialist Consultant
- Police

14.2 In making a decision, the Director of Finance, should consider independence, knowledge of the organisation, cost, availability and the need for a speedy investigation. Any decision must be shown in the Log held by the Nominated Officer (the FLO). A decision to take "No action" will not normally be an acceptable option unless exceptional circumstances apply.

14.3 In any case involving a suspected criminal act, it is anticipated that Counter CFS involvement will be in addition to NHS Forth Valley resources. In any case involving other suspected criminal acts, it is anticipated that Police involvement will be in addition to NHS Forth Valley resources.

15. The law and its remedies

15.1 Criminal Law - The Board shall refer all incidences of suspected fraud/criminal acts to CFS or the Police for decision by the Procurator Fiscal as to any prosecution.

15.2 Civil Law - The Board shall refer all incidences of loss through proven fraud/criminal act to the CLO for opinion, as to potential recovery of loss via Civil Law action.

15.3 Criminal Law may impose sanctions on the suspect for causing loss, while civil law may assist the Board to recover its loss.

Annex 1 – Key Contacts

Board Key Contacts

Role	Name	Designation	Contact Details
Fraud Liaison Officer	Anne Marie Machan	Regional Audit Manager	annemarie.machan@nhs.scot
Deputy Fraud Liaison Officer	Scott Urquhart	Director of Finance	01786 457245 scott.urquhart@nhs.scot
Counter Fraud Champion	Robert Clark	Non-Executive Member and Employee Director	01786 457226 robert.clark4@nhs.scot
Whistleblowing Champion	Gordon Johnston	Non-Executive Member and Whistleblowing Champion	Gordon.johnston@nhs.scot

External Contacts

Counter Fraud Hotline (Crimestoppers) – 08000 15 16 28

Counter Fraud Services – 01506 705200 (general enquiries)
www.nss.nhs.scot/departments/counter-fraud-services/

Independent National Whistleblowing Officer - 0800 008 6112
https://inwo.spso.org.uk/whistleblowing

SECTION E

Scheme of Delegation

1. INTRODUCTION

1.1. The Scheme of Delegation is a reference document which summarises the responsibilities and accountabilities of Forth Valley NHS Board and confirms the decision-making authority delegated by the NHS Board to standing committees, individual NHS Board members and NHS Board employees.

1.2. The Scheme of Delegation should be read in conjunction with the NHS Board's Code of Corporate Governance and Financial Operating Procedures.

1.3. The Scheme of Delegation is a key part of the NHS Board's governance framework and is designed to support timely and effective decision making across the organisation. As a minimum, the Scheme of Delegation is subject to an annual review by the NHS Board. However, the scheme may be reviewed more frequently where appropriate (for example following a change in the management or organisational structure that is likely to impact on the scheme's effectiveness).

1.4. The NHS Board has delegated authority to the Director of Finance to lead the routine review and maintenance of the Scheme of Delegation.

2. PRINCIPLES UNDERPINNING DELEGATION AND DECISION MAKING

2.1. All members and officers of the NHS Board are expected to familiarise themselves with the Scheme of Delegation.

2.2. In accordance with Financial Operating Procedure 03, all budget holders are required to formally agree their annual budgets and are accountable for budgetary performance. It is essential that expenditure levels do not exceed the agreed budget. Budget holders must therefore ensure that all decisions taken within the scope of their delegated authority are affordable within the available budget.

2.3. Where an employee of a Local Authority is either a budget holder or is granted authority to approve expenditure, the Director of Health and Social Care (IJB Chief Officer) must ensure that this individual is familiar with the NHS Board's policies and procedures and has the necessary access to relevant IT systems.

2.4. Where authority is delegated to Directors and members of the Senior Management Team, further delegation to deputies and other staff may be permitted through the Authorised Signatory process. However, the Directors and members of the Senior Management Team named in the Scheme of Delegation ultimately remain accountable for the actions of any individuals they have delegated to and for all transactions within their remit. Note that there are certain transactions and activities that may not be delegated any further (these items can only be approved by the named Director or member of the Senior Management Team in the Scheme of Delegation).

2.5. All values quoted in the Scheme of Delegation are inclusive of VAT, unless otherwise stated.

3. MATTERS RESERVED FOR THE NHS BOARD

3.1. The NHS Board is ultimately responsible for the protection and improvement of the health of Forth Valley's resident population and for the delivery of local frontline healthcare services.

3.2. The Standing Orders contained in the Code of Corporate Governance sets out the written rules on the business conduct and proceedings of the NHS Board. In accordance with section A, paragraph 6 and annex C of the Standing Orders, decision making on the following matters is reserved exclusively for the NHS Board and these matters may NOT be delegated:

3.2.1. The establishment and terms of reference of all its committees, and appointment of committee members.

3.2.2. Organisational Values.

3.2.3. The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.

3.2.4. The Delivery Plan for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Delivery Plan, the Board should receive it at a public Board meeting).

3.2.5. Corporate objectives or corporate plans which have been created to implement its agreed strategies.

3.2.6. Risk Management Policy.

3.2.7. Financial plan for the forthcoming year, and the opening revenue and capital budgets and medium-term financial planning (3 – 5 year plans).

3.2.8. Standing Financial Instructions and the Scheme of Delegation.

3.2.9. Annual accounts and report. (Note: This must be considered when the Board meets in private session. In order to respect Parliamentary Privilege, the Board cannot publish the annual accounts, or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period).

3.2.10. Approval of local business cases with a revenue or capital value of in excess of £250k.

3.2.11. Endorsement of any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval (the current delegated limit set by the Scottish Government for NHS Forth Valley is £1.5m as per the Scottish Capital Investment Manual and CEL(2010)32).

3.2.12. The Board shall approve the content, format, and frequency of performance reporting to the Board.

3.2.13. The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment).

3.2.14. Acquisition and disposal of any land and property in excess of £250,000.

3.2.15. NHS Board Members' Register of Interests.

3.2.16. Approval of NHS Board Annual Report and Annual Accounts.

3.2.17. Financial and Performance Management Reporting Arrangements.

3.2.18. Arrangements for approval of policies required as a result of national guidelines with the exception of Human Resource policies (see Staff Governance Committee remit).

3.2.19. Recommendations to the Scottish Government relating to the closure or change of use of hospitals.

3.2.20. Appointment of Executive Directors of Forth Valley NHS Board.

3.2.21. Appointment of Management Consultants/Advisors where contract value exceeds £100,000.

3.2.22. Approval of delegation of any function to an agency out with the National Health Service.

4. MATTERS DELEGATED TO STANDING COMMITTEES AND GROUPS

4.1 In accordance with section A, paragraph 7 of the Standing Orders, the NHS Board may delegate decision making to standing committees and various groups as appropriate. The following standing committees and groups have delegated responsibility for decision making on behalf of the NHS Board.

4.2 **Matters delegated to standing committees:**

4.2.1. **Audit and Risk Committee** (Executive Lead: Director of Finance). Decision making by this Committee is focused on matters relating to risk management, governance and internal control as part of the Committee's key role to provide assurance that the organisation is being managed effectively and resources are safeguarded appropriately.

4.2.2. **Clinical Governance Committee** (Executive Leads: Medical Director and Executive Nurse Director). Decision making by this Committee primarily relates to service quality assurance, continuous service improvement and clinical risk management as part of the Committee's role to ensure effective Clinical Governance arrangements are in place throughout the local NHS system (including services that are commissioned from independent providers and other partner agencies)

4.2.3. **Strategic Planning, Performance and Resources Committee** (Executive Lead: Director of Finance). Decision making by this Committee is linked to all aspects of performance management (both financial and non-financial) and securing best value in the use of resources (including approval of property transactions).

4.2.4. **Pharmacy Practices Committee** (Executive Lead: Medical Director). This Committee will consider and approve or reject applications for inclusion in the Pharmaceutical List in accordance with the NHS (Pharmaceutical Services) (Scotland) Regulations 2009 and the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 (SSI 2011 No. 32) and 2014 (SSI 2014 No. 148).

4.2.5. **Remuneration Committee** (Executive Lead: Director of People). Decision making by this Committee is focused on the application and implementation of fair and equitable pay systems on behalf of the NHS Board, as determined by Ministers and Scottish Government.

4.2.6. **Staff Governance Committee** (Executive Lead: Director of People). Decision making by this Committee primarily relates to implementation of the NHS Scotland staff governance standard.

4.3 Further information on the specific role and remit of each of the standing committees referred to above is contained in section A, annex B of the NHS Board's code of corporate governance.

4.4 **Matters delegated to Groups:**

4.4.1. **Senior Leadership Team** (SLT) - the SLT is the whole system decision making group for the implementation of the NHS Board's strategy. SLT has accountability through the Chief Executive to the NHS Board and reports to the NHS Board.

4.4.2. The role and remit of the SLT is:

Role and Remit of the Senior Leadership Team
Providing exemplary leadership and direction to the organisation, modelling the principles, behaviours and values set out in the NHS Forth Valley Code of Conduct.
The development, implementation and co-ordination of operational plans, policies, procedures and resources that underpin the delivery of the Board's strategic aims, particularly complex whole system decisions.
The oversight and monitoring of the whole system and its performance across all strands of delivery, holding each other to account through effective performance accountability structures.
Prioritising and allocating resources through transparent processes. For example, the group will consider for approval all business cases seeking capital and revenue investment in excess of £50k that have been endorsed by the Strategic Prioritisation Review & Implementation Group (SPRIG).

Assessing and mitigation of risk, in conjunction with active horizon scanning for opportunities.
Ensuring that the regulatory and statutory requirements are met for the Board.

5. MATTERS DELEGATED TO INDIVIDUALS

5.1 The Chief Executive:

5.1.1. The Chief Executive, as the Accountable Officer of the NHS Board in line with Part 2, Section 15 of the Public Finance and Accountability (Scotland) Act 2000, is personally answerable to the Scottish Parliament in respect of the NHS Board's policies, actions and conduct. Financial Operating Procedure 02 and the NHS Board's Standing Financial Instructions provide further detail on the specific responsibilities of the Chief Executive.

5.1.2. The full range of responsibilities arising from the NHS Board's Standing Orders and Standing Financial Instructions in relation to financial, corporate and clinical governance, risk management and other operational activities are delegated to other specific individuals as summarised in the following tables.

5.2 Delegated Powers Arising from Standing Orders

Ref	Area of responsibility	Delegated to	Further delegation permitted	Limits applying £	Comments
Delegated powers arising from Standing Orders					
5.2.1	Maintenance of a register of NHS Board members interests.	Board Secretary	N/A	N/A	As per section 1.6 of the NHS Board's Standing Orders. As a minimum, the register is updated on an annual basis and this is published online.
5.2.2	Execution of documents on behalf of Scottish Ministers relating to property transactions.	Chief Executive and/or Director of Finance	N/A	N/A	As per section 8.1 of the NHS Boards Standing Orders. Also see the NHS Scotland Property Transactions Handbook for further information.
5.2.3	Sealing of documents with the NHS Board Seal	Chief Executive and/or Director of Finance	N/A	N/A	Use of the NHS Board seal must be accompanied by the signatures specified in the Standing Orders.

5.3 Delegated Powers Arising from Standing Financial Instructions:

Ref	Area of responsibility	Delegated to	Further delegation permitted	Limits applying £	Comments
Delegated powers arising from Standing Financial Instructions					
ALLOCATIONS, BUSINESS PLANNING, BUDGETS & BUDGETARY CONTROL					
5.3.1	Design, implement & monitor systems of financial control & related procedures (including establishment & maintenance of financial planning & the budgetary control system).	Director of Finance	N/A	N/A	In accordance with section 1.1.4 of the NHS Board's Standing Financial Instructions & Statutory Instrument (1974) no 468 & NHS circular 1974 (GEN) 88.
5.3.2	Preparation of revenue and capital financial plans.	Director of Finance	N/A	Revenue Resource Limit & Capital Resource Limit	Approval of the annual financial plan is initially required by the Strategic Planning, Performance & Resources Committee, followed by the NHS Board. The financial plan will normally be approved by SPP&R committee in February & the NHS Board in March, (ie the plan must be approved in advance of the financial year to which it relates).
5.3.3	Calculation of the annual payment to Integration Joint Boards (IJBs)	Director of Finance	N/A	As per approved financial plan	Forms part of the annual financial plan & must be approved by the NHS Board in line with the timescales indicated in the relevant Integration Scheme. See 5.3.84 re approvals.
5.3.4	Annual budget setting & allocation of **non-delegated** revenue healthcare service budgets to budget holders.	Director of Finance	Deputy Director of Finance	As per approved financial plan	Also referred to as NHS Core Service budgets. As per Financial Operating Procedure (FOP) 03 all budget holders are required to formally agree their annual budgets, together with any in year changes, through an authorised Budget Control Amendment schedule.
5.3.5	Annual budget setting & allocation of **delegated** set aside & integrated revenue healthcare service budgets to budget holders in the Health & Social Care Partnership (HSCP).	Chief Finance Officer	N/A	As per approved IJB financial plan	Integrated budget is also referred to as Operational and Universal HSCP service budgets. Budgets must reconcile to IJB Directions & confirmation from Chief Finance Officer (CFO).

5.3.6	In year management of revenue **non-delegated** budgets at individual budget level (pay & non-pay) and overall service level.	Nominated budget holders/ relevant Director	Named Deputies	Within approved budget	All budget holders have a responsibility to ensure expenditure is contained within agreed budgeted levels. A list of budget holders in maintained by the Director of Finance.
5.3.7	Budget virement within or between **non-delegated** revenue healthcare service budgets.	Relevant Director	Deputy Director of Finance	< £100k	Any proposed virement must be in support of agreed NHS Board strategy. Virement over £100k requires approval from the Director of Finance.
5.3.8	Authority to commit expenditure for which no provision has been made in approved financial plans/budgets.	Chief Executive	Director of Finance	£500k	Limit applies to both revenue and capital expenditure.
5.3.9	Authority to commit expenditure for which no provision has been made in approved financial plans/budgets.	Director of Finance	N/A	£250k	Limit applies to both revenue and capital expenditure.
5.3.10	Budget virement within or between **non-delegated** revenue healthcare budgets in respect of items where no provision has been made in approved financial plans/budget.	Director of Finance	Deputy Director of Finance	£100k	In general budgets should only be used for the purposes originally intended & agreed. Any virement (regardless of value) to fund an item that is not provided for or agreed via the financial plan or budget requires approval from the Director of Finance.
5.3.11	In year management of revenue **delegated** set aside & integrated healthcare budgets at individual budget level and overall service level.	HSCP Nominated budget holders/Chief Officer/ Director of Acute Services	Named Deputies	Within approved budget	All budget holders have a responsibility to ensure expenditure is contained within agreed budgeted levels. Budget management processes and risk sharing arrangements are outlined in the extant Integration Schemes.
5.3.12	Budget virement within or between **delegated** integrated revenue healthcare service budgets.	Chief Officer	N/A	< £100k	Any proposed virement of HSCP operational or universal budgets must be in support of agreed IJB strategy. See IJB Scheme of Delegation for further information.

5.3.13	Budget virement to/from **delegated** Set Aside revenue healthcare service budgets or virement between Set Aside & the Integrated budget.	Director of Finance & Chief Officer	Deputy Director of Finance & Chief Finance Officer	< £100k	Any proposed virement within Set Aside budgets, or transfers to/from Set Aside & integrated budgets be in support of agreed IJB strategic plans.
5.3.14	Annual budget setting & allocation of Capital budgets to budget holders.	Director of Finance	Deputy Director of Finance	As per of approved financial plan	Capital budgets are allocated based on the NHS Board approved 5-year capital plan.
ANNUAL ACCOUNTS & REPORTS					
5.3.15	Submission of Financial Performance Returns to Scottish Government.	Director of Finance	Deputy Director of Finance	N/A	Monthly in line with the Scottish Government reporting timetable.
5.3.16	Signatories to Annual Report & Accounts/Financial Statements.	Chief Executive and Director of Finance	N/A	N/A	Draft accounts to be submitted to the Scottish Government by 31 May followed by final audited accounts no later than 30 June as per the NHS Scotland Annual Accounts Manual and Public Finance & Accountability (Scotland) Act 2000. Formal approval of the audited Annual Report & Accounts is via the NHS Board.
5.3.17	Preparation of Annual Governance Statement.	Director of Finance	Deputy Director of Finance	N/A	The Annual Governance Statement forms part of the Accountability Report section of the Annual Report & Accounts. See NHS Scotland Annual Accounts Manual for further information.
AUDIT					
5.3.18	Appointment of External Auditor.	Auditor General	N/A	N/A	The External auditors of the NHS Board are appointed by the Auditor General on a five-year cycle in order to maintain auditor independence. The majority of external audits are undertaken by Audit Scotland with the balance carried out by private firms of auditors appointed by the Auditor General. See Audit Scotland code of Audit Practice & International Standard on Auditing (IAS) 315 for further information.
5.3.19	Appointment of Chief Internal Auditor.	NHS Board	N/A	N/A	As per section 6.2 of the NHS Board's Standing Orders.

5.3.20	Provision of an adequate Internal Audit Service.	Director of Finance	N/A	N/A	As per section 15 of the Standing Financial Instructions and Public Sector Internal Audit Standards (PSIAS).
5.3.21	Preparation of annual audit certificate	External Auditor	N/A	N/A	The Annual Audit Report (ISA 260) & annual audit certificate are prepared by External Audit & presented to those charged with governance (via the Audit & Risk Committee) in June of each year.
BANKING ARRANGEMENTS					
5.3.22	Opening of bank accounts in the NHS Board's name	Director of Finance	N/A	N/A	Cash balances in non-GBS accounts held with commercial banks must not exceed £50k as per HDL(2001)49.
5.3.23	Notification to Bankers of authorised signatories on bank accounts	Director of Finance	Deputy Director of Finance	N/A	The Accounting Services Manager will maintain a list of authorised signatories for all banking services.
5.3.24	Transfers to/from Government Banking Service (GBS) accounts to commercial accounts	Director of Finance	Deputy Director of Finance	N/A	Working capital and cash flow is managed by the Treasury team under the direction of the Director of Finance. Temporary cash surpluses shall only be held in accordance with the Scottish Public Finance Manual (SPFM).
5.3.25	Authorisation of BACS, CHAPS, SWIFT, faster payments	2 signatories from list of bank authorisers	N/A	N/A	As per authorised signatory list referred to in 5.3.23. • Bankers Automated Clearing System (BACS), • Clearing Houses Automated Payment System (CHAPS) • Society for World-wide Interbank Financial Telecommunication (SWIFT)
5.3.26	Authorisation of Direct Debits and Standing Order mandates	Director of Finance	Deputy Director of Finance	N/A	
5.3.27	Authorisation of corporate credit card transactions.	Deputy Director of Finance	Accounting Services Manager	N/A	Transactions must be pre-approved by the relevant budget holder (and/or Director of Finance depending on value) before being processed by the Treasury Team.

SERVICE LEVEL AGREEMENTS & CONTRACTS REALTING TO THE PROVISION OF HEALTHCARE					
5.3.28	Signing of Service Level Agreements (SLAs) & contracts for the provision of healthcare	Director of Finance & relevant Director	N/A	Within approved budget	All SLAs & provision of service contracts for healthcare, regardless of the value, must be jointly signed by the Director of Finance and relevant service Director on behalf of the NHS Board.
5.3.29	Setting of fees & charges in respect of private patients, overseas visitors, income generation/mutual aid and other patient related services.	Director of Finance	Deputy Director of Finance	N/A	Applies in respect of fees that are locally determined and are not set by Scottish Government/statute.
5.3.30	Submission of grant applications and funding bids	Director of Finance & relevant Director	N/A	N/A	All grant applications and funding bids must be approved by the Director of Finance in advance of submission to the awarding body.
5.3.31	Signing of Patient Access Scheme (PAS) & Primary Care Rebate Scheme (PCRS) approval letters	Director of Pharmacy	N/A	N/A	PAS & PCRS are confidential pricing agreements between the NHS Board & pharmaceutical companies designed to enable patients to gain access to drugs or other treatments that may not be considered to be cost-effective based on published list price. NHS National Services Scotland maintain a PAS and PCRS register on behalf of all NHS Boards.
PAY EXPENDITURE					
5.3.32	Preparation of contracts of employment	Director of People	Yes	N/A	Contacts must comply with relevant legislation & national and/or locally agreed terms & conditions as advised by HR. The post must form part of the budgeted establishment.
5.3.33	Approval of hours worked & leave/absence recording	Budget holder	Line Manager	Within approved budget	Hours worked and absence for all staff groups must be within budget, in line with relevant Terms & Conditions & recorded via the appropriate HR & payroll systems eg Scottish Standard Time System (SSTS), electronic Employee Support System (eESS) and eRoster/Allocate.

5.3.34	Engagement of supplementary staffing & other external contractors/workers	Executive Nurse Director/ Medical Director	Nurse Director/ Associate Medical Director	N/A	See agreed approval processes/protocols for the use of supplementary medical & dental and Nursing, Midwifery & Allied Health Professionals (NMAHP). The recruiting manager must conduct IR35/off payroll working checks in advance of engaging certain external contractors and workers as appropriate.
5.3.35	Approval of new and/or redesigned posts or regraded posts	Director of People/ Director of Finance	N/A	Within approved budget	Professional advice and approval must be confirmed in relation to any skill mix change or regrading (see section 5 of the Recruitment Authorisation Form). The post must form part of the budgeted establishment.
5.3.36	Responsibility for implementing changes to terms & conditions of service	Director of People	Named Deputies	N/A	As per national guidance & policy.
5.3.37	Approval of severance and/or settlement agreements/exit packages	Chief Executive	Director of People	≤ £95k	Packages in excess of £95k require to be approved by the Scottish Government in line with DL(2019)15 and the SPFM.
5.3.38	Settlement of employment litigation claims	Director of People	N/A	≤ £100k	In conjunction with advice from the Central Legal Office (CLO). Values in excess of £100k require Scottish Government Approval.
NON-PAY EXPENDITURE (REVENUE)					
5.3.39	Development & oversight of Procurement Strategy	SPP&RC	Head of Procurement	N/A	Procurement activity must be conducted in accordance with the requirements of the SPFM and all relevant procurement legislation and regulations as they apply to the NHS in Scotland.
5.3.40	Maintenance of a non-pay contract register	Head of Procurement	N/A	N/A	
5.3.41	Approval & authorisation of non-pay revenue expenditure, including supplier invoices, employee expense claims etc	Relevant Budget Holder	Named deputies	Within approved budget	Limits for each budget holder are contained in the authorised signatory list maintained by the Accounting Services Team. Expenditure authorised by the budget holder must be contained within the available budget.

					Approval of employee expense claims must be in line with agreed Terms & Conditions of service and within the available budget.
5.3.42	Management & control of stock – including issue of stores recording & operating procedures.	Head of Procurement/ Digital Director/ Pharmacy Director	N/A	N/A	Stock security arrangements also fall under this item (including management of controlled drugs see item 5.5.8)
5.3.43	Amendments to the Unitary Charge in relation to PFI/PPP contracts as a result of a variation request where the associated revenue costs are less than £20k	Director of Facilities & Director of Finance	N/A	≤ £20k	See contract variation request process – if the variation request is cost neutral or the additional revenue costs are less than £20k, acceptance of the response to the variation request requires to be approved by both the Director of Facilities and the Director of Finance.
5.3.44	Amendments to the Unitary Charge in relation to PFI/PPP contracts as a result of a variation request where the associated revenue costs are in excess of £20k	Strategic Planning, Performance & Resources Committee.	N/A	>£20k	See contract variations process. Where the additional revenue costs of the variation request are greater than £20k, a business case should be presented to the Strategic Planning, Performance & Resources Committee for approval (this may require NHS Board approval if costs exceed £250k).
NON-PAY EXPENDITURE (CAPITAL)					
5.3.45	In year management of capital budgets at individual project level & Directorate level.	Budget holder/ Director	Named deputies	Within approved budget	All budget holders have a responsibility to ensure expenditure is contained within agreed budgeted levels.
5.3.46	Virement of capital budget between projects (per item/event)	Digital Director/ Director of Facilities	DDOF	≤ £150k	Subject to affordability. Proposed virement in excess of £150k requires approval by the Director of Finance (Chief Exec where value is over £250k & NHS Board where value is in excess of £500k).
5.3.47	Management of capital contingency budget	Director of Finance	DDOF	Within approved budget	All budget holders have a responsibility to ensure expenditure is contained within agreed budgeted levels. Virement permitted within agreed levels.

5.3.48	Approval of non-pay capital expenditure, including supplier invoices etc.	Relevant Budget Holder	Named Deputies	Within approved budget	As per 5.3.41 above re authorised signatory.
5.3.49	Amendments to the Unitary Charge in relation to PFI/PPP contracts as a result of a variation request where the associated capital costs are in excess of £20k	Strategic Planning, Performance & Resources Committee	N/A	>£20k	As per 5.3.43 & 5.3.44 above. Variations with a capital cost below £20k can be approved by the Director of Facilities and Director of Finance (both signatures are required on the variation acceptance). Where capital costs exceed £20k approval is via the SPPRC.
ORDERS, QUOTATIONS & TENDERS					
5.3.50	Responsibility for ensuring that all expenditure is processed via official purchase orders (PO)	Budget holders	Yes	Within approved budget	NHS Forth Valley POs are subject to our standard terms of business unless otherwise agreed in writing. “No PO no pay” policy applies (ie all supplier invoices must quote a valid PO number).
5.3.51	Requisitioning & ordering of goods & services: Where an order exceeds a 12-month period	DDOF	No	Within approved budget	Subject to total expenditure remaining within the approved budget.
5.3.52	Requisitioning & ordering of goods & services (**revenue**): With an annual value up to £250k	Relevant Director	DDOF	≤ £250k	Subject to total expenditure remaining within the overall budget allocated to the Directorate.
5.3.53	Requisitioning & ordering of goods & services (**revenue**): With an annual value over £250k	Chief Executive	Director of Finance	≥ £251k	Subject to total expenditure remaining within the overall approved NHS Board budget.
5.3.54	Requisitioning & ordering of goods & services (**capital**): With an annual value over £500k	Chief Executive	Director of Finance	≥ £500k	Subject to NHS Board approval of the associated business case (including confirmation that all capital & revenue consequences are affordable) and/or the NHS Board approved capital plan.
5.3.55	Requisitioning & ordering of goods & services (**capital**): With an annual value up to £499k	Digital Director/ Director of Facilities	Deputy Director of Finance	£250k to £499k	Subject to NHS Board approval of the associated business case (including confirmation that all capital & revenue consequences are affordable) and/or the NHS Board approved capital plan.

5.3.56	Requirements for quotations & tenders: Where the value of the expenditure is between £5,000 toto £10,000 a minimum of 1 written quotation should be sought.	Budget holders	No	Within approved budget	The written quotation can be via hard copy or electronic. Consider use of "Quick Quote" where appropriate. This is an online quotation facility via the Public Contracts Scotland website which enables NHS Boards to obtain competitive quotes electronically for low value requirements.
5.3.57	Requirements for quotations & tenders: Where the value of the expenditure is between £10,001 to £19,999 a minimum of 2 written quotations should be sought.	Budget holders	N/A	Within approved budget	As above.
5.3.58	Requirements for quotations & tenders: Where the value of the expenditure is between £20,000 to £50,000 a minimum of 3 written quotations should be sought.	Budget holders	N/A	Within approved budget	As above.
5.3.59	Requirements for quotations & tenders: Where the value of the expenditure is greater than £50,000 a competitive tender process is required.	Budget holders	N/A	Within approved budget	As per the Procurement Reform (Scotland) 2014 Act 2014, any contracts over £50k (for goods and services) or £2m (for works) must be formally advertised on the Public Contracts Scotland website. These thresholds are exclusive of VAT. Contact the Head of Procurement for further advice on the competitive tender process.
5.3.60	Maintenance of tender register	Head of Procurement	N/A	N/A	
5.3.61	Approval of Tender Waivers	Director of Finance	Deputy Director of Finance	N/A	As per Tender Waiver form.
5.3.62	Maintenance of tender waiver register	Director of Finance	Deputy Director of Finance	N/A	A summary of all tender waivers approved by the Director of Finance approved during the financial year is reported on an annual basis to the Audit & Risk Committee.
CAPITAL INVESTMENT & RELATED TRANSACTIONS					

5.3.63	Approval of Business Cases	NHS Board	N/A	≥ £250k	Business cases with a capital value in excess of £1.5m also require formal approval by the Scottish Government.
5.3.64	Approval of the acquisition or disposal of land & property where the sales proceeds or Net Book Value is in excess of £250k	NHS Board	N/A	≥ £250k	For disposals, the land or property must be formally declared surplus to requirements. Note that all land & property transactions must be endorsed by the Strategic Planning, Performance & Resources Committee (SPPRC) to provide assurance that the requirements of the NHS Scotland Property Transactions Handbook have been met.
5.3.65	Approval of the acquisition or disposal of land & property where the sales proceeds or Net Book Value is less than £250k	Director of Finance	N/A	≤ £250k	As above
5.3.66	Approval to condemn & dispose of assets (excluding land & property) where the current/estimated purchase price is in excess of £250k	Chief Executive	Director of Finance	≥ £250k	This applies to items that are obsolete, redundant, irreparable or cannot be repaired cost effectively.
5.3.67	Approval to condemn & dispose of assets (excluding land & property) where the current/estimated purchase price is £20k to £250k	Director of Finance	Deputy Director of Finance	£20k to £250k	As above
5.3.68	Approval to condemn & dispose of assets (excluding land & property) where the current/estimated purchase price is up to £20k	Relevant Director	Deputy Director of Finance	£20k	As above
5.3.69	Approval to enter into lease/rental agreements where the NHS Board is the lessee/tenant (including concessionary leases)	NHS Board	N/A	N/A	Requires endorsement by the Strategic Planning, Performance & Resources Committee (SPPRC) to provide assurance that the requirements of the NHS Scotland Property Transactions Handbook have been met. All lease/rental agreements require approval by the NHS Board.
5.3.70	Approval to enter into lease/rental agreements where the NHS Board is the lessor/landlord (including	NHS Board	N/A	N/A	Subject to formal tenancy/occupancy agreements being in place as prepared by the Director of Facilities & approval of rent by Deputy

	concessionary leases granted to voluntary, community or social enterprise groups)				Director of Finance. All lease/rental agreements require approval by the NHS Board.
ENDOWMENT FUNDS (FORTH VALLEY GIVING)					
5.3.71	Approval of the annual budget in respect of both restricted & unrestricted funds.	Endowment Trustees	N/A	N/A	As recommended/endorsed by the Endowment subcommittee.
5.3.72	Approval of expenditure from endowments funds (including both restricted & unrestricted funds)	Endowment Trustees	N/A	Within approved budget	As recommended/endorsed by the Endowment subcommittee.
5.3.73	Maintenance of Accounts & associated records	Director of Finance	Deputy Director of Finance	N/A	Note that the endowment funds are subject to an annual external audit. The external auditors are formally appointed by the Endowment Trustees.
5.3.74	Access to share and stock certificates and property deeds	Director of Finance	Deputy Director of Finance	N/A	
5.3.75	Opening and amendment of bank accounts in name of the NHS Forth Valley Endowment Fund, a registered charity administered under the terms of sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978.	Director of Finance	Deputy Director of Finance	N/A	The opening & amendment of such bank accounts is to be reported to the Endowment Trustees.
5.3.76	Acceptance and banking of endowment funds	Director of Finance	Deputy Director of Finance	N/A	Funds may only be accepted where they are in line with the charitable purpose of the endowment fund as per the NHS Forth Valley Health Board Endowment Fund Charter.
5.3.77	Investment of Endowment Funds	Endowment Trustees	N/A	As per Strategy	As per Investment Strategy approved by the Endowment Trustees.
5.3.78	Nominee for grants of probate or letters of administration for an estate.	Director of Finance	N/A	N/A	Where appropriate to obtain a legacy left to the Endowment Fund under the terms of a will.
FAMILY HEALTH SERVICES (FHS)					

5.3.79	Preparation, issue & agreement of 17J & 17C General Medical Services (GMS) Contracts	Director of Falkirk Health & Social Care Partnership	Primary Care Contracts Manager/ Deputy Director of Finance	N/A	Operationally managed on behalf of the NHS Board by the Director of Health & Social Care (Falkirk). Note that this is not a delegated service for the purposes of Health & Socia Care integration as IJBs cannot hold contracts.
5.3.80	Monitoring of FHS contracts	Director of Falkirk Health & Social Care Partnership	Primary Care Contracts Manager	N/A	As above in terms of operational management. Monitoring of contracts for all FHS contractor streams is undertaken by the FHS Performance Review Group. Reports on issues arising (including potential fraud) are received by the Audit & Risk Committee.
5.3.81	Additions & removals from NHS Forth Valley FHS performer lists	Primary Care Contracts Manager	Deputy Director of Finance	N/A	As per the National Health Service (Primary Medical Services Performers Lists) (Scotland) Regulations 2004.
5.3.82	Pre & post payment verification (PV) of payments made to all FHS contractors.	Practitioner & Counter Fraud Services NHS NSS on behalf of NHS Forth Valley	N/A	As per PV protocol	In line with the national PV protocol DL(2023)24
HEALTH & SOCIAL CARE INTEGRATION					
5.3.83	Delegation of Functions to Integration Joint Boards (IJBs)	NHS Board	N/A	N/A	In accordance with the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014.
5.3.84	Approval of payments to IJBs	NHS Board	N/A	Within approved budget	As per NHS Board approved financial plan.
FRAUD, LOSSES, LEGAL CLAIMS & SPECIAL PAYMENTS					
5.3.85	Ex-gratia payments: • Extra-contractual payments • Compensation payments (Clinical)	Director of Finance	N/A	≤£15K ≤£250k	Ex-gratia payments above these limits requires approval from the Scottish Government. See Scottish Financial Return (SFR) 18.1a "Details of Delegated Authority of NHS Boards

	• Compensation payments (Non-Clinical) • Compensation payments (Financial Loss) • Other payments			≤£100k ≤£25k ≤£2k	for Losses and Special Payments" for Category 2 Boards.
5.3.86	Legal claims – clinical	NHS Board	Chief Executive (for urgent decisions between Board meetings)	≤ £250k	Scottish Government approval is required for clinical claims in excess of £250k together with clinical approval by the Medical Director as per SFR 18.1a.
5.3.87	Legal claims – non-clinical	Chief Executive	Director of Finance	≤ £100k	Both NHS Board and Scottish Government approval is required for non-clinical claims in excess of £100k as per SFR 18.1a.
5.3.88	Theft/Arson/Wilful Damage: • Cash • Stores / procurement • Equipment • Contracts • Payroll • Buildings & Fixtures • Other	Director of Finance	N/A	≤£15k ≤£30k ≤£15k ≤£15k ≤£15k ≤£30k ≤£15k	Losses or payments relating to Theft, Arson or Wilful Damage above these limits requires approval from the Scottish Government as per SFR 18.1a.
5.3.89	Fraud, Embezzlement & other irregularities (including attempted fraud): • Cash • Stores / procurement • Equipment • Contracts • Payroll • Other	Director of Finance	N/A	≤£15k ≤£30k ≤£15k ≤£15k ≤£15k ≤£15k	Losses or payments relating to Fraud, Embezzlement & other irregularities (including attempted fraud) above these limits requires approval from the Scottish Government as per SFR 18.1a.
5.3.90	Nugatory & Fruitless Payments	Director of Finance	N/A	≤£15k	Nugatory & Fruitless Payments above this limit requires approval from the Scottish Government as per SFR 18.1a.

5.3.91	Claims Abandoned: • Private Accommodation • Road Traffic Acts • Other	Director of Finance	N/A	≤£15k ≤£30k ≤£15k	Claims Abandoned above these limits requires approval from the Scottish Government as per SFR 18.1a.
5.3.92	Stores losses due to: • Fire • Flood • Accident • Deterioration in Store • Stocktaking Discrepancies • Other Causes		N/A	≤ £30k	Stores losses above this limit requires approval from the Scottish Government as per SFR 18.1a.
5.3.93	Losses of Furniture & Equipment and Bedding & Linen in circulation due to: • Fire • Flood • Accident • Disclosed at physical check • Other Causes	Director of Finance	N/A	≤ £15k	Losses of Furniture & Equipment and Bedding & Linen in circulation above this limit requires approval from the Scottish Government as per SFR 18.1a.
5.3.94	Damage to Buildings & Fixtures due to: • Fire • Flood • Accident • Other Causes	Director of Finance	N/A	≤ £30k	Damage to Buildings & Fixtures above this limit requires approval from the Scottish Government as per SFR 18.1a.
5.3.95	Gifts in cash or in kind	Director of Finance	N/A	≤ £15k	Gifts in cash or in kind above this limit requires approval from the Scottish Government as per SFR 18.1a.
5.3.96	Other losses not included in the categories above	Director of Finance	N/A	≤ £15k	Other losses above this limit require approval from the Scottish Government as per SFR 18.1a.

5.4 Delegated Powers Arising from Other Areas of Corporate Governance:

Ref	Area of responsibility	Delegated to	Further delegation permitted	Limits applying £	Comments
Delegated powers arising from other areas of corporate governance					
CLINICAL GOVERNANCE					
5.4.1	Approval of Clinical Governance Strategy	NHS Board	Clinical & Care Governance Committee	Within approved budget	Executive Lead: Medical Director
5.4.2	Approval of research & development studies, including associated clinical trials & indemnity agreements in respect of commercial studies	Medical Director	N/A	Within approved budget	Initial approval is through the Research & Ethics Committee (this group will prepare an annual report for the Clinical & Care Governance Committee).
5.4.3	Approval of Quality Strategy	NHS Board	Clinical & Care Governance Committee	Within approved budget	See FV-Quality-Strategy-2021-2026.pdf Executive Lead: Medical Director
5.4.4	Approval of patient complaints handling policy & procedures	Clinical & Care Governance Committee.	Executive Nurse Director	N/A	As per Patient Rights Act & Patient Rights Directions.
5.4.5	Monitoring & reporting of patient complaints (including key themes, trends & learning)	NHS Board	Clinical & Care Governance Committee	N/A	As per Patient Rights Act & Patient Rights Directions. Executive Lead: Executive Nurse Director
5.4.6	Monitoring of compliance & adherence to national standards relating to Healthcare Acquired Infection (HAI)	Clinical & Care Governance Committee	Director of Public Health	N/A	Also forms part of routine performance monitoring reporting to the NHS Board.
5.4.7	Monitoring of compliance & adherence to national standards relating to decontamination	Director of Facilities	N/A	N/A	Also forms part of routine performance monitoring reporting to the NHS Board.
5.4.8	Development of policies & procedures in relation to the safe &	Director of Pharmacy	N/A	N/A	The Director of Pharmacy is the NHS Board's Controlled Drugs Accountable Officer as per the Controlled Drugs

	secure management of Controlled Drugs				(Supervision of Management and Use) Regulations 2013. See 5.5.11.
STAFF GOVERNANCE					
5.4.9	Implementation of the NHS Scotland staff governance framework & associated action plan	Director of People	N/A	N/A	Monitored via the Area Partnership Forum & the Staff Governance Committee.
5.4.10	Compliance with equality legislation	NHS Board	Director of People	N/A	See NHS Forth Valley Equality & Inclusion Strategy 2021-25
5.4.11	Approval of a Workforce Strategy (& supporting recruitment & retention policies)	NHS Board	Staff Governance Committee	Within available resources	Engagement required with Area Partnership Forum. Workforce strategy should align with the Delivery Plan & the Financial Plan.
5.4.12	Monitoring & operation of whistleblowing policy	Staff Governance Committee	Area Partnership Forum	N/A	Executive Lead: Executive Nurse Director
5.4.13	Oversight of safe staffing legislation	Staff Governance Committee	Director of People	Within available resources	Clinical & Care Governance Committee
RISK MANAGEMENT					
5.4.14	Oversight of risk management framework	Audit & Risk Committee	Chief Executive	N/A	See NHS Forth Valley Risk Management Strategy 2022-25
5.4.15	Oversight of strategic risk register	Audit & Risk Committee	Director of Strategic Planning & Performance	N/A	Review of the Strategic Risk Register is a standing agenda items at the Audit & Risk Committee and NHS Board meetings.
5.4.16	Development of prescribing policies	Area Drug & Therapeutic Committee	Director of Pharmacy	N/A	Executive Lead: Medical Director
PLANNING					
5.4.17	Development & approval of a local population health & care strategy	NHS Board	Director of Public Health	As per approved financial plan	As per National Clinical Strategy & DL(2024)31 "a renewed approach to population based planning across NHS Scotland".
5.4.18	Approval of Annual Delivery Plan	NHS Board	Director of Strategic Planning & Performance	As per approved financial plan	As per Scottish Government Annual Delivery Plan guidance (draft plans to be submitted in January with final plans in March).

5.4.19	Preparation & maintenance of a comprehensive Civil Contingency Plan	Director of Strategic Planning & Performance	Head of Strategic Planning	N/A	As per the Civil Contingencies Act 2004 & regulations. Executive Lead: Director of Public Health
5.4.20	Preparation & maintenance of a Business Continuity Plan	Director of Strategic Planning & Performance	Head of Strategic Planning	N/A	Oversight via Audit & Risk Committee. Executive Lead: Director of Public Health
5.4.21	Nominated representative in local Community Planning Partnerships	Director of Public Health	N/A	N/A	Clackmannanshire community planning partnership Falkirk community planning partnership Stirling community planning partnership
INFORMATION GOVERNANCE					
5.4.22	Oversight of information management systems & strategy, including monitoring delivery of the Digital & eHealth plan.	Strategic Planning, Performance & Resources Committee	Director of Digital	As per approved financial plan	As per national Digital Health & Care Strategy and local Health & Care in the digital age: a digital strategy for NHS Forth Valley 2023-2027 Executive Lead: Director of People. Clinical Lead: Medical Director.
5.4.23	Responsibility for Freedom of Information publication scheme & associated publication plan	Medical Director	Head of Information Governance	N/A	As per the Freedom of Information (Scotland) Act 2002 (FOISA). The publication scheme requires approval by the Information Commissioner's Office (ICO). See model publication scheme.
5.4.24	Responsibility for corporate records management plan	Medical Director	Head of Information Governance	N/A	In conjunction with the Senior Information Risk Owner (SIRO).
PERFORMANCE MANAGEMENT					
5.4.25	Approval of performance management framework	Strategic Planning, Performance & Resources Committee	Director of Strategic Planning & Performance	N/A	NHS Forth Valley performance management framework
5.4.26	Oversight of performance & performance reporting arrangements.	Strategic Planning, Performance & Resources Committee	Director of Strategic Planning & Performance	Within approved budget	Performance is a standing agenda item at every Strategic Planning, Performance & Resources Committee and NHS Board meeting.

5.5 Delegated Powers Arising from Other Operating Activities and Statutory Requirements:

Ref	Area of responsibility	Delegated to	Further delegation permitted	Limits applying £	Comments
Delegated powers arising from other operating activities & statutory requirements					
COMMUNICATION					
5.5.1	Develop & maintain a public facing access policy	Chief Executive	Head of Communications	N/A	In line with the NHS Scotland national access policy which sets out how NHS Boards should ensure equitable, safe, clinically effective and efficient access to services for their patients.
5.5.2	Develop & maintain a Communications Framework	Chief Executive	Head of Communications	N/A	See NHS Forth Valley Communications Framework 2023 - 2028
PATIENTS PRIVATE FUNDS & PROPERTY					
5.5.3	Develop detailed procedures for the safe custody & management of patients' funds & property	Director of Finance	Deputy Director of Finance	N/A	See Financial Operating Procedure (FOP) 17.
5.5.4	Approval of Patient Funds Annual Accounts	NHS Board	N/A	N/A	Patients fund accounts are subject to external audit.
STATUTORY REQUIREMENTS					
5.5.5	Nominated Lead Executive Director for Person Centred Care & engagement	Executive Nurse Director	N/A	N/A	
5.5.6	Responsibility for all aspects of Health & Safety	Chief Executive	Director of Facilities & Director of People	N/A	The Staff Governance Committee will consider the overall approach to staff safety & performance in relation to the precision of a safe and healthy working environment.
5.5.7	Implementation of Adult & Child support & protection policy	Chief Executive	Executive Nurse Director/ Directors of Health & Social Care	N/A	Adult Support & Protection (Scotland) Act 2007 national-guidance-child-protection-scotland-2021-updated-2023.pdf
5.5.8	Caldicott Guardian	Medical Director	Director of Public Health	N/A	This is an advisory role aligned with the Caldicott principles
5.5.9	Senior Information Risk Owner (SIRO)	Director of Finance	Chief Executive	N/A	The SIRO is the overall owner of information risk within the organisation & acts as the focal point for information

					risk management in the organisation including resolution of any pan-organisation or other escalated risk issues raised by Information Asset Owners. The SIRO will provide written advice to the Chief Executive on the content of the Governance Statement regarding information risk.
5.5.10	Nominated Fraud Liaison Officer	Regional Internal Audit Manager	Director of Finance	N/A	The role and responsibilities of the Fraud Liaison Officer is set out within Annex B of CEL11(2013) "Strategy to Combat Financial Crime in NHS Scotland".
5.5.11	Controlled Drugs Accountable Officer (CDAO)	Director of Pharmacy	N/A	N/A	As per the Controlled Drugs (Supervision of Management and Use) Regulations 2013.
OTHER					
5.5.11	Compliance with guidelines on chaplaincy & spiritual care	Executive Nurse Director	N/A	N/A	See national NHS Scotland Spiritual Care and Chaplaincy guidance.

SECTION F

Standing Financial Instructions

SECTION 1: INTRODUCTION

1.1 GENERAL

1.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the financial directions issued by the Scottish Government Health and Social Care Directorate under the provisions contained in regulation 4 of the National Health Service (Financial Provisions) (Scotland) Regulations 1974, together with the subsequent guidance and requirements contained in NHS Circular No.1974 (GEN) 88 and NHS Circular MEL (1194) 80, and shall have the effect as if incorporated in the Standing Orders of Forth Valley NHS Board. The purpose of the SFIs is to provide a sound basis for the control of Forth Valley NHS Board's financial affairs and for the regulation of the conduct of Forth Valley NHS Board, its directors, officers, and agents in relation to all financial matters in line with the Health Boards (Membership and Procedure) Regulations 2001. NHS Forth Valley is the common name of Forth Valley NHS Board. The Board's formal, legal title remains Forth Valley NHS Board and it will be identified as such in certain legal and financial documents.

1.1.2 These SFIs outline the financial responsibilities, policies, and procedures to be adopted by Forth Valley NHS Board. They are designed to ensure that Forth Valley NHS Board financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency, and effectiveness. The SFIs do not provide detailed procedural advice and should therefore be read in conjunction with all relevant Financial Operating Procedures, departmental instructions and the Scheme of Delegation adopted by the Board.

1.1.3 All Board members, officials, staff and agents of Forth Valley NHS Board shall observe these SFIs. The Chief Executive, Directors and Members of the Executive Leadership Team shall be responsible for ensuring that all staff and agents of the Board are aware of, and adhere to, the SFIs.

1.1.4 Statutory Instrument (1974) No.468 requires Directors of Finance to design, implement and supervise systems of financial control and NHS circular 1974 (GEN) 88 requires the Director of Finance to:

(a) approve the financial systems.
(b) approve the duties of officers operating these systems.
(c) maintain a written description of such approved financial systems, including a list of specific duties.

1.1.5 Should any difficulties arise regarding the interpretation or application of any aspect of the SFI's then the advice of the Director of Finance must be sought before acting. The user of these SFIs should also be familiar with and comply with the Provisions of the Board's Standing Orders.

1.1.6 Failure to comply with SFIs is a disciplinary matter, which could result in dismissal.

1.2 TERMINOLOGY

1.2.1 Any expression to which a meaning is given in Health Service Acts, or in directions made under the Acts, shall have the same meaning in these instructions; and:

(a) "Board" means the Board of Forth Valley NHS Board or such Committee of the Board to which powers have been delegated.
(b) "Budget" means an allocation of resources, expressed in financial terms, proposed by Forth Valley NHS Board for the purpose of carrying out, for a specific period, any, or all of the functions of Forth Valley NHS Board.
(c) "Chief Executive" means the chief officer of Forth Valley NHS Board and who is directly accountable to the Board.
(d) "Director of Finance" means the chief financial officer of Forth Valley NHS Board.
(e) "Budget Holder" means the director or officer of Forth Valley NHS Board who has the delegated authority to manage finances (income and expenditure) for a specific operational area of Forth Valley NHS Board.
(f) "Legal Adviser" means the properly qualified person appointed by Forth Valley NHS Board to provide legal advice.

1.2.2 Wherever the title Chief Executive, Director of Board, or other nominated officer is used in these instructions, it shall be deemed to include such other officers and agents who have been duly authorised to represent them.

1.2.3 References in these instructions to "officer" shall be deemed to include all employees of Forth Valley NHS Board, including nursing and medical staff, and consultants who practice upon Forth Valley NHS Board premises, as well as the staff of any agency contracted to Forth Valley NHS Board and/or performing financial functions on behalf of Forth Valley NHS Board.

1.3 RESPONSIBILITIES AND DELEGATION

1.3.1 The Board shall exercise financial supervision and control by:

(a) requiring the submission and approval of financial plans and budgets within approved allocations/overall income to a pre-determined timetable
(b) defining and approving essential features of financial arrangements in respect of important procedures and financial systems (including the need to obtain value for money)
(c) defining specific responsibilities placed on directors and officers as indicated in the Scheme of Delegation document

1.3.2 Within the SFIs it is acknowledged that the Chief Executive and Director of Finance shall have joint responsibility for ensuring that the Board meets its obligation to perform its functions within the financial resources available. The Chief Executive has overall responsibility for the Board's activities and is responsible to the Board for ensuring containment within the Board's Revenue Resource Limit, Capital Resource Limit and Cash Requirement Limit.

1.3.3 The Chief Executive is also the Accountable Officer for Forth Valley NHS Board as defined under the Public Finance and Accountability (Scotland) Act 2000 and is personally responsible to the Scottish Parliament. The specific responsibilities of the Chief Executive as Accountable Officer are set out in Section 2.

1.3.4 Forth Valley NHS Board shall delegate executive responsibility for the performance of its functions to the Chief Executive and the Senior Leadership Team (SLT). Members of the SLT will exercise financial supervision and control by requiring the submission and approval of financial plans within approved allocations, by defining and approving essential features of financial arrangements in respect of important procedures and financial systems, including the need to obtain value for money and by defining specific responsibilities placed on our officers.

1.3.5 So far as is possible, the Chief Executive and Director of Finance will delegate their detailed responsibilities but retain their overall accountability. The extent of delegation will be kept under review by the Board.

1.3.6 Without prejudice to any other functions of officers of Forth Valley NHS Board, the Director of Finance shall be responsible for:

(a) provision of financial advice to the Board and its officers
(b) setting the Board's accounting policies consistent with Scottish Government and Treasury guidance and generally accepted accounting practice
(c) supervising the implementation of the Board's financial strategies and for coordinating any corrective action necessary to further these strategies
(d) ensuring that sufficient records are maintained to show and explain Forth Valley NHS Board transactions, in order to disclose, with reasonable accuracy, the financial position of Forth Valley NHS Board at any time
(e) the design, implementation, and supervision of systems of financial control incorporating the principles of segregation of duties and internal checks
(f) the preparation and maintenance of such accounts, certificates, estimates, records, and reports as the Board may require for the purpose of carrying out its statutory duties and responsibilities

1.3.7 All directors and officers of Forth Valley NHS Board, severally and collectively, are responsible for:

(a) the security of Forth Valley NHS Board property
(b) avoiding loss
(c) exercising economy and efficiency and securing best value in the use of Forth Valley NHS Board resources; complying with the requirements of:

- Standing Orders (including the Scheme of Delegation)
- Standing Financial Instructions
- Financial Operating Procedures
- the NHS Scotland conduct policy and the Board's local business code of conduct policy.

1.3.8 The form in which financial records are kept and the manner in which duties are discharged by all directors and officers of Forth Valley NHS Board who carry out a financial function must be to the satisfaction of the Director of Finance and in line with

the Public Records Scotland Act 2011, data protection legislation (consisting primarily of the UK-GDPR and Data Protection Act 2018), the Freedom of Information (Scotland) Act 2002, and the Board's Information Governance policies and procedures.

1.3.9 Any contractor, agent or employee of a contractor who is empowered by Forth Valley NHS Board to commit Forth Valley NHS Board to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

SECTION 2: RESPONSIBILITIES OF HEALTH BOARD CHIEF EXECUTIVE AS ACCOUNTABLE OFFICER

2.1 INTRODUCTION

2.1.1 In accordance with part 2 section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accounting Officer for the Scottish Government has designated the Chief Executive of Forth Valley NHS Board as Accountable Officer.

2.1.2 Accountable Officers must comply with the terms of annex 2 of the Scottish Public Finance Manual (SPFM), and any updates issued to the manual by the Principal Accountable Officer for the Scottish Government.

2.2 GENERAL RESPONSIBILITIES

2.2.1 The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finances for NHS Forth Valley. The Accountable Officer must ensure that Forth Valley NHS Board takes account of all relevant financial considerations, including any issues of propriety, regularity, or value for money, in considering policy proposals relating to expenditure, or income.

2.2.2 It is incumbent upon the Accountable Officer to combine their duties as Accountable Officer with their duty to the Forth Valley NHS Board, to whom they are responsible, and from whom they derive their authority. The Forth Valley NHS Board is in turn responsible to the Scottish Parliament in respect of its policies, actions, and conduct.

2.2.3 The Accountable Officer has a personal duty of signing the Annual Accounts of Forth Valley NHS Board and for their proper presentation as prescribed in legislation and/or in the relevant Accounts Direction issued by the Scottish Ministers. Consequently, they may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament and be expected to deal with questions arising from the Accounts, or, more commonly, from reports made to Parliament by the Auditor General for Scotland.

2.2.4 The Accountable Officer must ensure that any arrangements for delegation promote good management, and that they are supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of, or access to, specialist skills and services. The Accountable Officer must ensure that staff are as conscientious in their approach to costs not borne directly by NHS Forth Valley (such as costs incurred by other public bodies, or financing costs, e.g., relating to banking and cash flow) as they would be where such costs directly borne.

2.3 SPECIFIC RESPONSIBILITES

2.3.1 The Accountable Officer must:

(a) ensure that from the outset, proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes.

(b) sign the Annual Accounts and the associated governance statement, and in doing so accept personal responsibility for their proper presentation as prescribed in legislation and/or relevant Accounts Direction issued by Scottish Ministers.

(c) ensure that proper financial procedures and systems of internal control are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published Accounts as per the NHS Scotland Annual Accounts Manual.

(d) ensure that the public funds for which the Accountable Officer is responsible are properly managed and safeguarded, with independent and effective checks of cash balances in the hands of any official.

(e) ensure that the assets for which the Accountable Officer is responsible, such as land, buildings, or other property, including stores and equipment, are controlled, and safeguarded with similar care, and with checks as appropriate.

(f) ensure that, in the consideration of policy proposals relating to expenditure, or income, for which the Accountable Officer has responsibility, all relevant financial considerations, including any issues of propriety, regularity or value for money, are considered, and where necessary brought to the attention of the Board.

(g) ensure that any delegation of authority is accompanied by clear lines of control and accountability, together with reporting arrangements.

(h) ensure that any procurement activity is conducted in accordance with the requirements in the procurement section of the SPFM and all relevant procurement legislation and regulations as they apply to the NHS in Scotland.

(i) ensure that effective management systems appropriate for the achievement of the organisation’s objectives, including financial monitoring and control systems have been put in place.

(j) ensure that risks, whether to achievement of business objectives, regularity, propriety, or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them.

(k) ensure that arrangements have been made to secure best value as set out in the SPFM.

(l) ensure that managers at all levels have a clear view of their objectives and the means to assess and measure outputs or performance in relation to these objectives.

(m) ensure managers at all levels are assigned well defined responsibilities for making the best use of resources (both those assumed by their own commands and any made available to third parties) including a critical scrutiny of outputs, outcomes, value for money and compliance with any conditions of funding awards/grants.

(n) ensure that managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

(o) ensure that the common seal of the Board is held securely by the Corporate Business Manager who shall be responsible for its safe custody and for recording its use.

(p) Ensure that any document or proceeding requiring authentication by the Board by affixation of its common seal shall be subscribed by the Chief Executive and Director of Finance.

(q) to ensure where a document requires for the purpose of any enactment or rule of law relating to authentication of documents under the Law of Scotland, or otherwise requires to be authenticated on behalf of the NHS Board, it shall be signed by an Executive Director of the NHS Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995. Before authenticating any document the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the NHS Board procedures have been received. A document executed by the NHS Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.

2.4 REGULARITY AND PROPRIETY OF EXPENDITURE

2.4.1 The Accountable Officer has a particular responsibility for ensuring compliance with parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in Budget Acts (or otherwise authorised by section 65 of the Scotland Act 1998).

2.4.2 Parliament's attention must be drawn to losses or special payments by appropriate notation of the Board's Accounts. In the case of expenditure approved under the Budget Act, any payments must be within the scope and amount specified in that Act. In cases not covered by the Budget Act, e.g. in connection with a service not contemplated when the Budget Bill was presented; the Accountable Officer must ensure that the Scottish Government Health and Social Care Directorate is informed in order that appropriate advice can be given, and if necessary parliamentary procedures followed.

2.4.3 The Accountable Officer will advise the Forth Valley NHS Board, as appropriate, on all matters of financial probity and regularity, on prudent and economical administration; efficiency and effectiveness and, in particular, will provide assurance that expenditure by NHS Forth Valley complies with Parliamentary requirements, relevant legislation and relevant guidance issued by the Scottish Ministers in particular the SPFM. In meeting these requirements, the Accountable Officer must:

- Not exceed the revenue resource limit (RRL) (taking one year with another).
- Draw the attention of Parliament to losses or payments by appropriate notation of the statutory accounts.
- Obtain approval from the Scottish Government Health and Social Care Directorate for any expenditure which exceeds the Board's RRL or is not covered by standing delegated authorities e.g. losses and special payments in excess of specific delegated limits or expenditure which is considered novel, contentious or repercussive.
- Ensure that all items of expenditure, including payments to staff, fall within the legal powers of the Forth Valley NHS Board, are exercised responsibly and with due regard for probity and value for money.
- Comply with guidance issued by the Scottish Government Health and Social Care Directorate on classes of payments and authorise personally, such payments as termination payments to other Chief Officers.

SECTION 3: ALLOCATIONS, BUSINESS PLANNING, BUDGETS AND BUDGETARY CONTROL

3.1 GENERAL

3.1.1 The Board is required by statutory provisions made under Section 85 of the National Health Service (Scotland) Act (1978), as amended by the Health Services Act 1980, to perform its functions within the total funds allocated by the Scottish Ministers. All plans and financial approval systems shall be designed to meet this obligation.

3.2 ALLOCATIONS

3.2.1 The Director of Finance of the Board will review, as a minimum annually, the bases and assumptions used for distributing allocations to ensure such allocations are fair, realistic, and secure the Board's entitlement to funds.

3.3 BUSINESS PLANNING AND BUDGETS

3.3.1 The Chief Executive will prepare, and submit to the board for approval, an Annual Delivery Plan. The delivery plan will reflect financial targets and forecast limits of available resources and will describe the planning assumptions and the necessary changes in workload, delivery of services or resources required to achieve the plan.

3.3.2 The Director of Finance shall, on behalf of the Chief Executive, prepare and submit to the Board, an annual financial plan. The financial plan will incorporate both revenue and capital expenditure within the limits of available funds as determined by the notified allocations and will align to the annual delivery plan. The financial plan will be submitted to the Board for approval in March, in advance of the financial year to which it relates.

3.3.3 The Director of Finance shall ensure that the delivery plan and the financial plan are reconcilable to budgets and reflect t h e outcome of discussions and consultation with the ELT, the Performance and Resources Committee and other stakeholders. As a consequence, the Director of Finance shall have right of access to all budget holders on all and any budgetary related matters.

3.4 BUDGETARY CONTROL

3.4.1 The Board shall delegate the management of the Financial Plan to the Chief Executive. The Chief Executive within limits approved by the Board, can delegate responsibility for a budget or part of a budget to individual Senior Managers. The terms of delegation shall include, in writing, a clear definition of individual responsibilities for control of expenditure, exercise of virement, achievement of performance levels and the provision of regular reports on the discharge of these delegated functions. The delivery of this delegation shall be included within the performance review of appropriate officers.

3.4.2 In performance of their duties:

(a) The Chief Executive will not exceed the budgetary or virement limits or exclusions set by the Board or by the Scottish Government Health and Social Care Directorate.

(b) Senior Managers will not exceed the budgetary or virement limits set by the Board and Chief Executive.

(c) The Chief Executive may exercise virement or vary the budgetary limit of a Senior Manager within the Chief Executives own budgetary limit.

3.4.3 The Board shall approve and review annually a Scheme of Delegation that will form part of the Standing Orders of the Board. The Scheme of Delegation shall specify: -

(a) areas of responsibility

(b) nominated officers

(c) financial value

(d) virement levels

3.4.4 Expenditure for which no provision has been made in approved plans and budgets and outwith delegated virement limits may only be incurred after authorisation by the Chief Executive or the Director of Finance acting on their behalf, or the NHS Board dependent on the nature and level of expenditure. There shall be a financial limit of £500,000 in respect of the delegated authority of the Chief Executive on a non-recurring basis (no individual item shall exceed £100,000). The Director of Finance shall have authority within the Chief Executive's limit of £250,000.

3.4.5 The Director of Finance, on behalf of the Chief Executive, shall monitor the financial performance against the plan, the use of delegated budgets to ensure that financial control is maintained, and that the Board's plans and policies are implemented.

3.4.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget-holders to help them to manage successfully.

3.4.7 The Director of Finance shall ensure that:

(a) the system of internal financial controls is sufficient and adequate to ensure the achievement of objectives and compliance with standards and regulations.

(b) adequate statistical and financial systems are in place to monitor and control all agreements for patients' services and facilitate the compilation of estimates, forecasts and investigations as may be required.

(c) reports provide all financial, statistical, and other relevant information as necessary for the compilation of estimates and forecasts.

(d) the Chief Executive and the Board are informed of the financial consequences of changes in policy, pay awards and other events and trends affecting budgets or projections and shall advise on the financial and economic aspects of future plans and projects.

(e) the issue of timely, accurate and comprehensible advice, and monthly financial reports to each budget holder, covering the areas for which they are responsible.

(f) The provision of financial information as per the requirements of extant Integration Schemes to support Chief Finance Officers in their role as section 95 Officers for the Integration Joint Board.

3.4.8 The Director of Finance shall provide the Board with regular financial reports including, but not limited to, the following details: -

- analysis of all income and expenditure to date and a forecast year-end position;
- progress in delivering agreed cost improvement plans & efficiency savings;
- movements in working capital;
- capital project spend and projected outturn against plan;
- explanation of significant variances from plan plus corrective action if appropriate, including an assessment as to whether such actions are sufficient to correct the situation;
- monitoring of management action to correct variances; cash spending to date and forecast year-end position;
- report on budgetary transfers and virement.

SECTION 4: HEALTH AND SOCIAL CARE INTEGRATION

4.1 GENERAL

4.1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of adult health and social care services in Scotland. Two Integration Joint Boards (IJBs) have been established in Forth Valley under the body corporate arrangement. The approved Integration Schemes set out the detail of the integration arrangement, including those functions delegated by NHS Forth Valley to the IJBs.

4.2 FINANCIAL ARRANGEMENTS

4.2.1 Each partner will agree an annual payment to the IJB in advance of financial year to which it relates as per the requirements of the extant Integration Schemes. The value of the annual payment will be informed by Scottish Government policy and the preparation of a business case by each IJB. The business case will summarise the funding requirements and financial planning assumptions of the IJB and will form the basis of initial negotiations with the NHS Board and Local Authority as to level of payment/funding contributions for the forthcoming financial year.

4.2.2 In subsequent financial years the NHS Board will evaluate the case for the Integrated Budget against its other priorities and will agree its contributions accordingly. The business case put forward by the IJB will be evidenced based and will detail assumptions made.

4.2.3 Following agreement of the payment to the IJB by the NHS Board and Local Authority, the IJB Chief Officer and Chief Finance Officer will prepare a financial plan to support achievement of the IJB's approved Strategic Plan. To deliver the strategic plan, the IJB will commission services from the NHS Board and Local Authority by issuing a Direction.

4.2.4 In line with the provisions of sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014, Directions are the mechanism by which the IJB's strategic commissioning plan is actioned and they represent the legal basis for the NHS Board and Local Authority to deliver services which are under the control of the IJB. The Direction from the IJB must set out how services are to be delivered and funded (including details of the funding source, distinguishing between sums Set Aside or a payment from the IJB to the NHS Board via the integrated budget).

4.2.5 Following receipt of a Direction from the IJB (assuming paragraph 4.2.6 below does not apply), the NHS board will adjust the relevant Set Aside or Health and Social Care Partnership (HSCP) operational or universal budget and will inform budget holders accordingly. HSCP budget holders are responsible for ensuring all transactions processed by the NHS Board comply with these SFIs and any associated detailed procedural NHS guidance deemed relevant to the transaction.

4.2.6 If the NHS Board does not believe the direction can be achieved for the payment being offered, then it shall notify the IJB as soon as possible that additional funding would be necessary to comply with the direction.

4.3 DELEGATED AUTHORITY

4.3.1 Where a manager has delegated authority for integrated health and social care expenditure, they must ensure the VAT treatment is in line with the guidance issued by the Integrated Resource Advisory Group and HMRC. If in doubt they should seek advice from the Director of Finance and/or IJB Chief Finance Officer.

4.3.2 Where a Local Authority employee has been given delegated authority for an integrated budget that includes NHS transactions, a signed declaration confirming that they have received and will comply with these SFIs is required. This should also be signed by the IJB Chief Officer, who will further undertake to pursue any breaches of the NHS SFIs through the Local Authority line management structure if required.

4.3.3 The Integration Scheme includes further detailed guidance on the financial governance and financial management arrangements for IJBs.

SECTION 5: COMMISSIONING OF HEALTHCARE

5.1 FINANCIAL TARGETS

5.1.1 The Scottish Government sets 3 budget limits at a Health Board level on an annual basis. These limits are:

(a) Revenue Resource Limit: a resource budget for ongoing operations;
(b) Capital Resource Limit: a resource budget for net capital investment;
(c) Cash requirement: a financing requirement to fund the cash consequences of the ongoing operations and net capital investment.

5.1.2 Health Boards are required to contain their net expenditure within these limits and will report on any variation from the limits as set.

5.1.3 The Director of Finance shall be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the Board to fulfil its statutory responsibility while achieving its financial targets.

5.2 GENERAL - HEALTH NEEDS ASSESSMENT

5.2.1 The Director of Public Health, on behalf of the Chief Executive, is responsible for the production of Health Needs Assessments and for the monitoring of Health Status and overall population health.

5.2.2 The Health Needs Assessment Reports incorporate historical and projected financial information. The Director of Finance is responsible for the provision of historical financial details and for the financial impact/implication of each Needs Assessment.

5.3 GENERAL - HEALTH PLANNING

5.3.1 The Chief Executive is responsible for the production of the Corporate Plan (Healthcare Strategy). The Corporate Plan will be informed amongst others by

(a) plans arising from Health Needs Assessments

(b) socio-demographic trends

(c) public consultation

(d) resource availability

(e) Business unit pressures

5.3.2 Planning groups may be established to prepare health strategies or develop plans for individual care groups or non-delegated service areas that are not part of integrated health and social care services. The Director of Finance has responsibility for ensuring that where appropriate the remit of such groups outlines the financial parameters within which the group may operate. On occasion these groups may also

cover non-delegated Local Authority services. In this instance the parameters should be agreed with the appropriate individuals within Local Authorities.

5.3.3 The Director of Finance is responsible for the provision of financial advice and plans in respect of the affordability of the Corporate Plan.

5.4 PRIMARY HEALTH CARE

5.4.1 Primary Health Care Services include:

(a) all Family Health Services

(b) Staff employed by NHS Forth Valley that are attached to specific GP Practices eg District Nursing

(c) General Medical Services (GMS) IT

(d) Services provided as part of the Primary Care Improvement Plan

5.4.2 Primary Healthcare Services fall within the scope of Integration Authorities and are hosted by Falkirk IJB. Resources are allocated from both IJBs to the NHS Board via Direction in line with IJB Strategic Commissioning Plans. Any variations proposed to budgets must be approved by the IJB Chief Finance Officer.

5.5 COMMUNITY SERVICES

5.5.1 Community Services include:

(a) mental health (inclusive of elderly, frail elderly, long-stay, and community)

(b) learning disability

(c) palliative hospice care

(d) community health services

(e) drugs and alcohol

(f) healthcare in prisons

5.5.2 The vast majority of local Community Health Care Services fall within the scope of integration authorities and are operationally managed by IJB Chief Officers through their role as Director of the Health and Social Partnership. Any variations proposed to budgets relating to IJB delegated services must be approved by the relevant IJB Chief Finance Officer.

For community services that are not delegated to IJBs , resources are transferred on a monthly basis in accordance with the annual financial plan and any subsequent agreed variations. Any approved budget adjustments are processed through the Service Agreement Variation (SAV) process in year. Such variations must be approved by the Director of Finance of Forth Valley NHS Board.

5.5.3 NHS Boards outwith the Forth Valley area may also provide Community services to local residents. In such instances service level agreements will be prepared. Resources are transferred on a monthly basis in accordance with the annual financial plan and any subsequent agreed variations. Such variations must be signed by both the Director of Finance of the Forth Valley NHS Board and the Director of Finance of the appropriate Health Board.

5.6 INPATIENT AND OTHER HOSPITAL BASED SERVICES

5.6.1 These include:

(a) Emergency and urgent care

(b) Acute inpatients and Community Hospital beds

(c) Ambulatory Care and Day Surgery

(d) Outpatient Services

(e) Cancer Services

(f) Allied Health Professionals

(g) Diagnostic Services

(h) Women and Children Services

5.6.2 Inpatient and other hospital-based services are operationally managed by the Director of Acute Services. However, an element of this budget is “set aside” by NHS Forth Valley to be included as part of the total resources within the scope of the IJB Strategic Plans as per the extant Integration Schemes.

5.6.3 Set aside, also referred to as Large Hospital Services, is defined as services which are carried out in a hospital setting and provided for the areas of two or more Local Authorities. They typically include services relating to emergency and unscheduled care and whilst operational management and financial risk for the Set Aside budgets remains with NHS Forth Valley, the IJBs have a strategic planning role in relation to these services.

5.6.4 Resources for Inpatient and other hospital-based services which are categorised as set aside are allocated from the Integration Authority via direction in line with their Strategic Commissioning Plans. Any variations proposed to set aside budgets must be approved by the Director of Finance of Forth Valley NHS Board and the relevant IJB Chief Finance Officer.

5.6.5 Resources in respect of Inpatient and other hospital based services that are not part of set aside are operationally managed by the Director of Acute Services. Resources for these service areas are transferred on a monthly basis in accordance with the annual financial plan and any subsequent agreed variations. Any approved budget adjustments are processed through the Service Agreement Variation (SAV) process in year. Such variations must be approved by the Director of Finance of Forth Valley NHS Board.

5.6.6 NHS Boards outwith the Forth Valley area may also provide these services to local residents. In such instances service agreements will be prepared. Resources are transferred on a monthly basis in accordance with the annual financial plan and any subsequent agreed variations. Such variations must be signed by both the Director of Finance of the Forth Valley NHS Board and the Director of Finance of the appropriate Health Board.

SECTION 6: CASH AND BANKING

6.1 INTRODUCTION

6.1.1 The Director of Finance is responsible for managing Forth Valley NHS Board's banking arrangements and for advising Forth Valley NHS Board on the provision of banking services and the operation of bank accounts. This advice will take into account such guidance and directions as may be issued by the Scottish Government Health and Social Care Directorate.

6.2 CASH HANDLING

6.2.1 The Director of Finance is responsible for:

(a) Ensuring a process is in place for the timely banking of cash receipts;
(b) Preparing procedures on the use of petty case, and
(c) Ensuring controls are in place for secure handling of cash.

6.2.2 Staff, on appointment, shall be informed in writing by the appropriate departmental or Senior Manager, of their responsibilities and duties for the collection, handling or disbursement of cash, cheques etc and must familiarise themselves with the relevant Financial Operating Procedure.

6.3 SECURITY

6.3.1 All receipt books, tickets, agreement forms or other means of officially acknowledging or recording amounts received or receivable shall be in a form approved by the Director of Finance. Such stationery shall be ordered and controlled by the Director of Finance and subject to the same precautions as are applied to cash.

6.3.2 All employees with an official duty to collect or hold cash must have access to a secure safe and lockable cash box. Safes will normally be accessible to authorised individuals by combination code. For key access safes and cash boxes spare keys must be held securely and recorded on a register, with only authorised staff allowed to gain access. Any loss of keys must be reported immediately to the Finance Department.

6.3.3 All cash, cheques, postal orders, and other forms of payment received by someone other than the cashier shall be entered immediately in an approved form of register. The remittances must be passed to the cashier and a signature obtained to evidence the handover.

6.3.4 The opening of coin operated machines (including telephones) and the counting and recording of takings shall be undertaken by two officers together, at frequent intervals,

and the coin box keys shall be held by a nominated officer. A reconciliation of monies collected should be carried out.

6.3.5 The Director of Finance shall prescribe the system for the transporting of cash and uncrossed pre-signed cheques and shall approve, where appropriate, the use of the services of a specialist security firm.

6.3.6 Official money must not, under any circumstances, be used to cash private cheques.

6.3.7 All cheques, postal orders, cash etc. shall be promptly banked. Disbursements must not be made from cash received except under arrangements approved by the Director of Finance.

6.3.8 Those with access to safes must not accept unofficial funds for depositing in their safes.

6.3.9 During the absence (e.g. due to annual leave) of the individual responsible for the safe and cash box, the employee who acts in their place shall be subject to the same controls as the normal safekeeper. Handover of the safe and/or cash box contents must be recorded and signed by both individuals upon the transfer of responsibilities. The signed document must be retained for audit purposes.

6.3.10 Cheque books will be controlled by officers approved by the Director of Finance and are subject to the same security precautions as are applied to cash. New books will be ordered as required via online banking by approved officers and must be stored in a secure safe.

6.3.11 Any loss or shortfall of cash, cheques, or other items, regardless of how it occurred, shall be reported immediately in accordance with the agreed procedure for reporting losses. (See Section 12 on Condemnations, Losses and Special Payments).

6.4 BANK ACCOUNTS

6.4.1 The Director of Finance is responsible for:

(a) Establishing exchequer bank accounts as directed by Scottish Government Health and Social Care Directorate;
(b) establishing separate bank accounts for Forth Valley NHS Board non exchequer funds;
(c) ensuring funds are drawn down from Scottish Government for approved expenditure but that excess funds are not drawn in advance of need;
(d) ensuring payments made from accounts do not exceed the amount credited to the account except where arrangements have been made;
(e) reporting to the Board all arrangements made with Forth Valley NHS Board bankers for accounts to be overdrawn, and
(f) The opening and operation of Project Bank Accounts when required for construction contracts in line with Scottish Government guidance.

6.4.2 Bank accounts will be operated in accordance with the HM Treasury Government Banking Services (GBS) contract, the Scottish Government Banking Services Framework for commercial accounts, and guidance in the Scottish Public Finance Manual.

6.4.3 All funds shall be held in accounts in the name of Forth Valley NHS Board. No officer other than the Director of Finance plus one other approved signatory shall open or close any bank account in the name of Forth Valley NHS Board.

6.4.4 The Director of Finance will advise the Bankers in writing of the conditions under which each account shall be operated.

6.5 BANKING PROCEDURES

6.5.1 The Director of Finance shall prepare procedural instructions on the operation of accounts. These instructions must include:

(a) the conditions under which each account is to be operated;

(b) ensuring that funds held in commercial accounts are kept to a minimum and do not exceed £50,000 in total, with excess funds being transferred to the GBS account;

(c) those authorised to sign cheques or other payments on Forth Valley NHS Board accounts, and

(d) the required controls for online banking.

6.5.2 The Director of Finance shall ensure appropriate arrangements and controls are in place for debit/credit card transactions.

6.5.3 The Accounting Services Manager shall advise the bankers of the officers authorised to release money from or make electronic payment from each bank account.

6.5.4 The Accounting Services Manager shall notify the bankers promptly of the cancellation of any authorisation to draw on Forth Valley NHS Board accounts

6.5.5 Where an agreement is entered into with a Health Board or other body for payment to be made on behalf of Forth Valley NHS Board from bank accounts maintained in the name of that Health Board or other body, or by electronic funds transfer via the Bankers' Automated Clearing System (BACS), the Director of Finance shall ensure that satisfactory security regulations of the Health Board or other body relating to any such accounts exist and are observed.

SECTION 7: CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

7.1 CAPITAL INVESTMENT

7.1.1 The overall control of all capital investment and fixed assets shall be the responsibility of the Chief Executive, as advised by the Director of Finance.

7.1.2 Whilst the Board reserves decision making with regard to the medium term Capital Plan and the Annual Capital Plan, the Chief Executive:

(a) shall ensure that there is an adequate appraisal and approval process in place for determining capital investment priorities and the effect of each proposal on the Board Health Strategy and Annual Delivery Plan in accordance with the guidance contained in the Scottish Capital Investment Manual (SCIM).

(b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.

(c) will ensure that capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences.

7.1.3 The Chief Executive will also ensure that, for every capital expenditure proposal:

(a) where required, a business case is prepared setting out an option appraisal of potential benefits compared with known costs to determine the option with the most favourable ratio of benefits to costs in accordance with the guidance contained in the Scottish Capital Investment Manual (SCIM).

(b) the Director of Finance has certified professionally to the costs and revenue consequences.

(c) appropriate project management and control arrangements are set in place.

7.1.4 On approval of a capital investment scheme in accordance with the Scheme of Delegation, the Director of Finance shall issue written communication to the manager responsible for the capital investment project confirming the following**:**

(a) specific authority to commit expenditure;

(b) authority to proceed to tender;

(c) authority to accept a successful tender.

7.1.5 The Director of Finance shall ensure that procedures are in place for the regular reporting of actual expenditure against authorisation of capital expenditure.

7.1.6 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of the Scottish Capital Investment Manual (SCIM).

7.1.7 The Chief Executive will issue a scheme of delegation for capital investment management which will be in accordance with:

(a) SCIM guidance

(b) Forth Valley NHS Board Standing Orders

(c) the schedule of financial limits

7.1.8 Competitive tendering processes as per Section 8 must be followed with the exception being when the supply is proposed under special arrangements negotiated by the Scottish Government in which event the said special arrangements must be complied with. This is applicable to processes under the auspices of nationally approved procurement programmes, including Frameworks Scotland and Hub Company, where the formal tendering process has been deemed to have been completed in arriving at the principal supply chain partners.

7.1.9 The Director of Finance will issue procedures governing the financial management of capital investment projects, including variations to contract and valuation for accounting purposes.

7.2 PRIVATELY FINANCED INFRASTRUCTURE INVESTMENT

7.2.1 When Forth Valley NHS Board proposes to use finance, which is to be provided other than through NHS Finances (as determined by its Capital Allocation), the following procedures shall apply:

(a) the Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector;

(b) where the sum involved exceeds the limits of approval delegated to the Board, a business case must be prepared, and approved by the Board;

(c) the Business case must then be referred to the Scottish Government Health and Social Care Directorate for approval.

7.3 FIXED ASSET REGISTERS

7.3.1 The Chief Executive who has overall control of fixed assets will delegate responsibility for ensuring the maintenance of registers of assets and for prescribing the form and content of any register and the method of updating.

7.3.2 The minimum data set to be held within these registers shall be as specified in the NHS Scotland Capital Accounting Manual as issued by the Scottish Government Health and Social Care Directorate.

7.3.3 A fixed asset control procedure shall be approved by the Director of Finance. This procedure shall make provision for:

(a) recording the managerial responsibility for each asset

(b) identification of additions and disposals

(c) physical security of assets

(d) periodic verification of the existence of condition of and title to assets

7.3.4 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

(a) properly authorised and approved agreements, architect's certificates, supplier's invoices, and other documentary evidence in respect of purchases from third parties

(b) stores requisitions and wages records for own materials and labour including appropriate overheads

(c) lease agreements in respect of assets held under a finance lease and capitalised

7.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

7.3.6 The value of each asset shall be indexed to current values in accordance with the methods specified in the NHS Scotland Capital Accounting Manual as issued by the Scottish Government Health and Social Care Directorate.

7.3.7 The value of each asset shall be depreciated using methods and rates as specified in the NHS Scotland Capital Accounting Manual as issued by the Scottish Government Health and Social Care Directorate.

7.3.8 Registers shall also be maintained by responsible nominated officers and receipts retained for:

(a) equipment on loan; and
(b) all contents of furnished lettings.

7.3.9 On the closure of any facility, a check shall be carried out and a responsible officer will certify an inventory of items held pending eventual disposal.

7.3.10 The Director of Finance shall approve a procedure for the calculation and payment of capital charges as specified in the NHS Scotland Capital Accounting Manual issued by the Scottish Government Health and Social Care Directorate.

7.4 SECURITY OF ASSETS

7.4.1 The Chief Executive is responsible for the overall control of the fixed assets of Forth Valley NHS Board, but all staff have a responsibility for the security of property of the Board. It shall be the responsibility of senior staff in all disciplines to apply appropriate routine security practices in relation to NHS property. Persistent breach of agreed security practices should be reported to the Chief Executive.

7.4.2 Wherever practicable, items of equipment shall be indelibly marked as Forth Valley NHS Board property.

7.4.3 The Director of Finance shall prepare procedural instructions on the security and checking and disposal of assets (including cash, cheques, and negotiable instruments, and also including donated assets). This procedure shall make provision for:

(a) recording managerial responsibility for each asset

(b) identification of additions and disposals

(c) identification of all repairs and maintenance expenses

(d) physical security of assets

(e) periodic verification of the existence of condition of, and title to, assets recorded

(f) identification and reporting of all costs associated with the retention of an asset

(g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments

7.4.4 Any damage to Forth Valley NHS Board premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Directors, Heads of Service or employees in accordance with the procedure for reporting losses.

SECTION 8: PURCHASING OF SUPPLIES AND SERVICES

8.1 DELEGATION OF AUTHORITY

8.1.1 The Forth Valley NHS Board will approve the total level of non-pay expenditure on an annual basis and the Director of Finance will determine the level of delegation to budget holders.

8.1.2 The Director of Finance will set out:

(a) the list of managers who are authorised to approve requisitions for the supply of goods and services;

(b) the maximum level of each requisition and the process for authorisation above that level;

(c) the procedures to be adopted for the seeking of professional advice regarding the supply of goods and services.

8.1.3 All non-pay expenditure will be incurred within the limits of the non-pay budgets delegated to budget holders.

8.1.4 Section 21 sets out Standards of Business Conduct, which must be adhered to by members and officers of Forth Valley NHS Board.

8.2 SYSTEMS AND PROCEDURES FOR REQUISITIONING, ORDERING AND RECEIVING GOODS AND SERVICES

8.2.1 Supplies and services must be purchased through national contracts including framework agreements in accordance with CEL 05 (2012) where these are available. Only in exceptional circumstances and only with the authority of the Head of Procurement and the Director of Finance shall supplies and services available on contract be ordered outwith national contracts.

8.2.2 All formal contract arrangements must meet Information Governance requirements including appropriate patient confidentiality, information security, data protection and Freedom of Information requirements. The Head of Information Governance should be contacted for clarification in terms of use of standard wording and to resolve any queries that arise. The Caldicott Guardian has overall responsibility for Patient Information security.

8.2.3 Standard wording for inclusion within contracts has been prepared and the Head of Procurement should be contacted to confirm/advise on standard clauses. The Head of Procurement is responsible for compliance with this component of SFIs and ensuring compliance with CEL 05 (2012).

8.2.4 In line with the Procurement Reform (Scotland) Act 2014 competitive tenders for the supply of all goods and services not available to the Board through national or regional contracts will be invited by advertising on the Public Contracts Scotland website unless:

(a) the estimated value of the contract is (exclusive of VAT):

- less than £50,000 for building and engineering works
- less than £50,000 for other supplies
- less than £1,000 for disposals

(b) the supply or disposal is for goods or services of a special nature or character in respect of which it is not possible or desirable to obtain competitive tenders;

(c) in cases of emergency where it is not practicable or where the delay would result in further expense to the NHS Board. Such cases must be reported immediately to the Chief Executive.

8.2.5 A minimum of 3 written quotations shall be obtained from firms on approved lists (where possible) where the expenditure will be more than £5,000 but less than £50,000.

8.2.6 Where competitive tenders have been obtained, the lowest cost shall normally be accepted or, for disposals, the highest sales price. If other than the lowest (highest for disposals) is being recommended, the approval of the Chief Executive or the Director of Finance shall be obtained before acceptance and the reasons entered in the Register of Tenders.

8.2.7 Any Board Member or Officer concerned with a contract who has a pecuniary interest in that contract shall declare his interest in writing to the Chief Executive who shall maintain a register of all such declarations. The NHS Board Member or Officer concerned must withdraw from the decision-making process of the purchasing/contracting arrangements concerning that item. (See Section 21 – Standards of Business Conduct).

8.2.8 The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for Forth Valley NHS Board. In so doing, the advice of Forth Valley NHS Board's sourcing adviser on supply shall be sought.

Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) shall be consulted before any order is placed.

8.2.9 The Director of Finance shall:

(a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds must be incorporated in Forth Valley NHS Board Standing Financial Instructions and regularly reviewed; and

(b) prepare procedural instructions on the obtaining of goods, services and works, incorporating the thresholds set by the Board.

8.2.10 No order may be placed for any item, or items, for which there is no budget provision unless authorisation is provided by the Director of Finance on behalf of the Chief Executive.

8.2.11 All goods, services, or works must be ordered on an official order through the Board's electronic purchase to pay system ie the Professional Electronic Commerce Online System (PECOS) except for works and services executed in accordance with a contract and purchases from petty cash. Suppliers/Contractors shall be notified that they should not accept orders unless they are generated through PECOS.

8.2.12 Managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

(a) all contracts, leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;

(b) contracts above specified thresholds are advertised and awarded in accordance with European Commission (EC) and General Agreement on Tariffs and Trade (GATT) rules and comply with other such legislation relating to public procurement;

(c) where consultancy advice is being obtained, the procurement of such skills must be in accordance with guidance issued by the Scottish Government Health and Social Care Directorate;

(d) where eHealth and IT systems and/or software are being obtained, procurement of these items must be approved and processed through the Digital Directorate;

(e) in accordance with Section 21 – Standards of Business Conduct, no order is issued for any item, or items, to any firm which has made an offer of gifts, reward or benefit to Directors or employees, other than:

- isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars
- conventional hospitality, such as lunches in the course of working visits

(f) verbal orders are only issued in exceptional circumstances, in cases of emergency or urgent necessity, and only by an officer designated by the Chief Executive; these must be confirmed by an official order no later than the next working day, and clearly marked “Confirmation Order;”

(g) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

(h) goods are not taken on trial or loan in circumstances that could commit Forth Valley NHS Board to a future uncompetitive purchase;

(i) changes to the list of directors/employees authorised to certify invoices are notified to the Accounting Services Manager;

(j) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;

(k) petty cash records are maintained in a form as determined by the Director of Finance.

8.2.13 All tenders shall be addressed to the Chief Executive.

8.2.14 Official orders must:

(a) be consecutively numbered

(b) be in a form approved by the Director of Finance

(c) include such information concerning prices or costs as may be appropriate

(d) incorporate an obligation on the contractor to comply with the conditions printed thereon as regards delivery, carriage, documentation, variations, etc.

8.2.15 The Chief Executive must ensure that Forth Valley NHS Board Standing Orders and SFIs are compatible with guidance issued by the Scottish Government Health and Social Care Directorate in respect of building and engineering contracts (PROCODE) and land and property transactions (ESTATECODE). The technical audit of these contracts shall be the responsibility of the relevant Director. The Director of Finance shall ensure that the arrangements for financial control and audit of building and engineering contracts and property transactions comply with the guidance contained within these codes.

8.2.16 In accordance with Scottish Procurement Policy Note SPPN 2/2010 any contractor or sub-contractor performing security industry services will be required to be registered with the SIA Approved Contractors Scheme for the category of security service being provided/performed under the contract.

SECTION 9: INCOME, FEES AND CHARGES

9.1 INCOME SYSTEMS

9.1.1 The Director of Finance shall be responsible for designing and maintaining systems for the proper recording and collection of all monies due, including income due under service agreements for the provision of patient care services. The Director of Finance shall also be responsible for establishing reliable systems for financial coding to properly record all transactions.

9.2 FEES AND CHARGES

9.2.1 Forth Valley NHS Board shall follow the guidance and advice of the Scottish Government Health and Social Care Directorate in setting prices for Service Agreements.

9.2.2 The Director of Finance is responsible for setting prices for chargeable services including non-contracted activity (cross-border) and unplanned activity (UNPACS) cross health board boundary, in accordance with national guidance.

9.2.3 The Director of Finance is responsible for approving and regularly reviewing the level of fees and charges other than those determined by the Scottish Government Health and Social Care Directorate or by Statute.

9.2.4 All employees have a responsibility to inform the Accounting Services Manager of money due to Forth Valley NHS Board arising from transactions which they initiate, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

9.3 DEBT RECOVERY

9.3.1 The Director of Finance is responsible for taking appropriate recovery action on all outstanding debts.

9.3.2 Income not received will be dealt with in accordance with losses procedures.

9.3.3 All staff dealing with income transactions are responsible for ensuring that underpayments against sums due are prevented, but where these occur, recovery action as determined by the Director of Finance should be initiated.

9.3.4 The Director of Finance shall establish procedures for the write-off of debts after all reasonable steps have been taken to secure payment.

SECTION 10: TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND STAFF

10.1 REMUNERATION AND TERMS OF SERVICE

10.1.1 The Board shall establish a Remuneration Committee whose composition and remit will be set out in the Forth Valley NHS Board's standing orders contained in the code of Corporate Governance.

10.1.2 The Remuneration Committee will operate within the Terms of Reference described in the Forth Valley NHS Board's standing orders contained in the code of Corporate Governance.

10.1.3 The remuneration of the Chairperson and Non-Executive Directors will be set in accordance with the instructions issued by the Scottish Ministers.

10.1.4 The Committee shall report in writing to the Board the bases for its recommendations. The Board shall use the report as the basis for their decisions but remain accountable for taking decisions on the remuneration and terms of service of executive directors.

10.2 FUNDED ESTABLISHMENT

10.2.1 The establishment plans incorporated within the annual budget will form the funded establishment of the Forth Valley NHS Board.

10.2.2 The Director of Finance shall be responsible for designing a system of funded establishment control. The funded establishment of any department may only be varied in accordance with the approved establishment control system. As part of this, any changes in the funded establishment will require approval from the relevant professional lead, particularly in relation to skill mix changes.

10.3 STAFF APPOINTMENTS

10.3.1 No director or officer may engage, re-engage or re-grade staff, either on a permanent or temporary basis, or hire agency staff, or agree to changes in any aspect of remuneration unless

(a) so authorised by the Chief Executive; and

(b) within the limit of the approved budget and funded establishment.

10.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, conditions of service, job evaluation etc. for employees.

10.3.3 A certified appointment form and such other documents as may be required shall be sent to HR connect for approval immediately upon the employee commencing duty. It is the responsibility of the Manager who is receiving the new team member to complete any paperwork or input information to the electronic employee support systems (eESS) as appropriate.

10.4 CONTRACT OF EMPLOYMENT

10.4.1 Each employee shall be issued with a Contract of Employment by the Director of Human Resources, which shall comply with current employment legislation and be in a form approved by the Board.

10.4.2 The Director of Human Resources shall be responsible for dealing with variations to, or termination of, contracts of employment, including appropriate record-keeping.

10.5 STAFF CHANGES

10.5.1 A variation to contract of employment shall be issued in all cases of changes to existing contract.

10.5.2 Confirmation of a change in the status of employment shall be completed and submitted electronically via eESS.

10.5.3 Termination of employment must be processed via eESS immediately upon the effective date of an employee's resignation, retirement or termination being known. Where an employee fails to report for duty in circumstances which suggest they have left without notice, the Director of Human Resources and the Payroll Manager shall be informed as soon as possible.

10.6 PAYROLL

10.6.1 All pay records, related electronic records and their notification shall be in a form approved by the Director of Finance and shall be certified and submitted in accordance with their instructions.

10.6.2 The Director of Finance shall be responsible for the final determination of any pay including verification that the rate of pay and relevant conditions of service are in accordance with current agreements, the proper compilation of the payroll and for payments made.

10.6.3 The Director of Finance shall determine the dates on which the payment of salaries and wages are to be made, having regard to the general rule that it is undesirable to make payments in advance.

10.6.4 All employees shall be paid monthly by BACS (with the exception of any enhancements, extra hours or overtime which are paid one month in arrears) unless otherwise agreed by the Director of Finance.

10.6.5 All staff have a responsibility to ensure they are being paid correctly. Staff must report immediately to the Payroll Manager any irregular payment which has been made from funds for payroll purposes.

10.7 TRAVEL AND OTHER STAFF EXPENSES

10.7.1 The Board will reimburse reasonable expenses which have been necessarily and exclusively incurred by employees while engaged on approved NHS Forth Valley business in accordance with the relevant terms and conditions of employment.

10.7.2 All expenses claims must be submitted via the NHS Scotland electronic expenses system, or where this is not possible, on the relevant NHS Scotland expenses claim form (there are separate forms for Medical & Dental staff, Agenda For Change staff and leased car users). Claims must be submitted within a maximum of 3 months of the expenses being incurred by the employee. Claims submitted outwith this period will not be reimbursed unless there are exceptional circumstances which must be notified to the Payroll Team in writing by the Service Manager of the Department. A final decision on whether the claim should be reimbursed will rest with the Director of Finance.

10.7.3 The Director of Finance shall reimburse all expenses claimed by employees of the Board or outside parties in line with the relevant Agenda For Change regulations, General Whitley Council regulations, Hospital, Medical and Dental Whitley Council regulations and His Majesty's Revenue & Customs (HMRC) regulations, as appropriate. Arrangements for the certification of such claims by the appropriate Head of Department shall be subject to the approval of the Director of Finance.

10.7.4 The Director of Finance shall ensure that HMRC regulations with regard to travel and other staff expenses are complied with.

SECTION 11: ACCOUNTS PAYABLE

11.1 RESPONSIBILITIES FOR NOTIFYING AND MAKING PAYMENTS

11.1.1 All employees must comply with the approved scheme of delegation contained in the Board's Standing Orders when initiating all non-pay transactions.

11.1.2 The Director of Finance shall be responsible for the prompt payment of all properly authorised invoices and claims. Payment of contract invoices shall be undertaken promptly in accordance with contract terms, or otherwise, in accordance with the Scottish Government prompt payment policy.

11.1.3 All Directors, officers and agents shall inform the Director of Finance promptly of all monies payable by Forth Valley NHS Board arising from transactions which they initiate, including contracts, leases, tenancy agreements and other transactions.

11.1.4 Payments to independent Family Health Service Practitioners and all associated administration has been delegated to NHS National Services Scotland (NSS) under a Partnership Agreement. NSS will act as agents of the Board in accordance with the Partnership Agreement.

11.2 SYSTEMS AND PROCEDURES FOR MAKING PAYMENTS

11.2.1 The Director of Finance shall be responsible for designing and maintaining a system for the verification, recording and payment of all amounts payable by Forth Valley NHS Board. The system shall provide for:

(a) a list of officers authorised to certify invoices, together with specimens of their signatures (the authorised signatory database)

(b) certification that:

- goods have been received or services supplied as agreed;
- where contracts are based on measurement of time, materials, or expenses, that each are in accordance with the appropriate independent certified measures;
- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- the invoice or claim is arithmetically correct;

- the invoice or claim is not a duplicate and has not been paid previously, and

- the VAT treatment is correct.

(c) a timetable for payments to be made; provision shall be made for the early submission of accounts where cash discounts can be obtained or for those accounts which otherwise require early payment;

(d) instructions to employees regarding the handling and payment of accounts by the Accounts Payable team;

(e) a process which ensures that payment for goods and services is only made once the goods and services have been received by Forth Valley NHS Board (except as allowed for below), and

(f) appropriate segregation of duties.

11.2.2 In the case of contracts for building or engineering works, which require payment to be made on account during progress of the works, the Director of Finance shall make payment on receipt of a certificate from the appropriate technical consultant. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, a contractor's account shall be subject to such financial examination by the Director of Finance and such general examination by a works officer as may be considered necessary, before the person responsible to Forth Valley NHS Board for the contract, issues the final certificate.

11.2.3 Where a contract is based on the measurement of time, materials or expenses, the checks to be carried out must provide confirmation that:

(a) the time charged is in accordance with the time sheets

(b) the rates of labour are in accordance with the appropriate rates

(c) the materials have been checked as regards quantity, quality, and price

(d) the charges for the use of vehicles, plant and machinery have been examined

11.2.4 Where an officer certifying accounts or claims relies upon other officers to do preliminary checking, they shall, ensure that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms.

11.2.5 Payment in advance may also be approved for items such as courses, conferences and travel where payment is required to secure the booking, or where it is necessary to use corporate credit card.

11.3 OTHER

11.3.1 All employees must comply with the NHS Scotland Conduct policy and the local standards of business conduct policy. Any query on the application of the standards must be raised with the Director of Human Resources.

SECTION 12: CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

12.1 FRAUD POLICY AND RESPONSE PLAN

12.1.1 The Director of Finance shall prepare a Fraud Policy and Response Plan which shall be approved by the Board.

12.2 DISPOSALS AND CONDEMNATIONS

12.2.1 The Director of Finance shall prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.

12.2.2 When it is decided to dispose of an asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

12.2.3 All unserviceable articles shall be:

(a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;

(b) recorded by the condemning officer in a form approved by the Director of Finance, which will indicate whether the articles are to be converted, destroyed, or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.

12.2.4 The condemning officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report such evidence to the Director of Finance who will take the appropriate action.

12.3 LOSSES AND SPECIAL PAYMENTS

12.3.1 The Director of Finance shall prepare procedural instructions on the recording of and accounting for losses and special payments.

12.3.2 Any officer discovering or suspecting a loss of any kind shall forthwith inform their Head of Department, who shall immediately inform the Chief Executive and Director of Finance.

12.3.3 Where a criminal offence is suspected, the Board's Fraud Policy and Response Plan will be implemented.

12.3.4 The Director of Finance shall notify the Scottish Government Health and Social Care Directorate of all losses and special payments, including those arising from fraud in accordance with CEL (2010) 10 and report this via Scottish Financial Return (SFR) 18.0 to 18.2.

12.3.5 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Director of Finance shall immediately notify:

(a) the Forth Valley NHS Board

(b) the Statutory Auditor

12.3.6 All reported instances of fraud (including any relating to independent Family Health Services Practitioners) and other cases as may be determined by Scottish Government Health and Social Care Directorate, will be referred to the NHS Scotland Counter Fraud Service in accordance with guidance received from Scottish Government Health and Social Care Directorate.

12.3.7 All legal claims brought against the Board must be directed to the Central Legal Office who will manage them on the Board's behalf under the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). An updated register of ongoing cases and expected losses will be issued to the Board periodically by the CNORIS Team.

12.4 WRITING OFF OF LOSSES

12.4.1 The Board has delegated authority to write-off losses and make special payments up to certain limits as detailed in the Scheme of Delegation. Prior approval must be obtained from SGHSCD for amounts exceeding this.

12.4.2 The Director of Finance shall maintain a losses and compensation register in which details of all losses shall be recorded, as they are known. Write-off action shall be recorded against each entry in the register.

12.4.3 The Director of Finance shall be authorised to take any necessary steps to safeguard Forth Valley NHS Board interest in bankruptcies and company liquidations.

12.4.4 No special payments exceeding the delegated limits determined by the Board shall be made without the prior approval of the Director of Finance.

12.4.5 Losses are classified in accordance with the relevant SFRs as outlined in the NHS Scotland Accounts Manual issued by the Scottish Government Health and Social Care Directorate.

12.4.6 The delegated limits of authority for each type of loss are contained in the Scheme of Delegation included in the Board's Code of Corporate Governance.

12.4.7 A statement of Losses and Special Payments requires to be reported within the Annual Report and Accounts. Individual losses or special payments exceeding £300,000 must be reported separately.

SECTION 13: ENDOWMENTS AND TRUST FUNDS (NON-EXCHEQUER FUNDS)

13.1 INTRODUCTION

13.1.1 Endowment and Trust Funds are those gifts, donations and endowments made under the relevant charities legislation and held on trust for purposes relating to the National Health Service, the objects of which are for the benefit of the National Health Service in Scotland. They are administered by the Board acting as trustees or by Special Trustees appointed by the Scottish Ministers or by other persons under a trust. An Endowments Committee will be responsible for the management of Forth Valley NHS Board Endowment and Trust Funds.

13.1.2 The discharge of the Board's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence, and propriety.

13.1.3 These Standing Financial Instructions shall apply equally to Non-Exchequer Funds as to other funds except that expenditure from Non-Exchequer Funds shall be restricted to the purpose(s) of the appropriate Fund.

13.1.4 The Director of Finance shall maintain such accounts and records as may be necessary to record and protect all transactions and funds of Forth Valley NHS Board as trustees of non-exchequer funds, including an Investments Register.

13.1.5 All share and stock certificates and property deeds shall be deposited either with Forth Valley NHS Board Bankers or Investment Advisers, or in a safe, or a compartment within a safe, to which only a designated responsible officer will have access.

13.1.6 The Director of Finance shall prepare detailed procedural instructions concerning the receiving, recording, investment, and accounting for endowment funds.

13.1.7 The Director of Finance shall be required to advise the Board on the financial implications of any proposal for fund raising activities, which Forth Valley NHS Board may initiate, sponsor, or approve.

13.1.8 The Director of Finance shall be kept informed of all enquiries regarding legacies and shall keep an appropriate record. After the death of a testator all correspondence concerning a legacy shall be dealt with on behalf of Forth Valley NHS Board by the Director of Finance who alone shall be empowered to give an executor a good discharge.

13.1.9 Endowment and Trust Funds shall be invested by the Director of Finance in accordance with Forth Valley NHS Board policy and subject to statutory requirements. The Director of Finance shall have authority to obtain professional advice on investments.

13.1.10 Where it becomes necessary for Forth Valley NHS Board to obtain Grant of Probate, or to make application for grant of letters of administration, in order to obtain a legacy due to Forth Valley NHS Board under the terms of a Will, the Director of Finance shall be Forth Valley NHS Board nominee for the purpose.

SECTION 14: INFORMATION MANAGEMENT

14.1 RESPONSIBILITIES

14.1.1 The Chief Executive shall be responsible for ensuring the maintenance of archives for all documents required to be retained under the direction contained in CEL (31)2010 and the requirements of the Freedom of Information Act 2002 and the Public Records (Scotland) Act 2011.

14.1.2 The documents held in archives shall be capable of retrieval by authorised persons. Stirling University provides archive services for the Board.

14.1.3 Documents held shall only be destroyed at the express instigation of the Chief Executive in line with approved retention schedules.

14.1.4 The Director of Finance will act as Senior Information Risk Officer (SIRO) for NHS Forth Valley. The SIRO is a mandatory role for public sector organisations and has oversight of information risks within the organisation. The SIRO will inform and advise the board on how to mitigate these risks in accordance with the organisation's risk appetite.

14.1.5 The Director of Finance shall be primarily responsible for the accuracy and security of the computerised financial data of Forth Valley NHS Board and will formally record this is part of the Board's Information Asset Register.

14.2 FINANCIAL SYSTEMS MANAGEMENT

14.2.1 The Board's financial system (eFinancials) is a national single instance financial system operated and maintained by NHS Ayrshire and Arran on behalf of all NHS Boards in Scotland. The eFinancials software is supplied and supported by OneAdvanced and interfaces with a number of NHS Scotland's procurement, payroll and payment systems. An annual service audit is commissioned by NHS Ayrshire and Arran to provide assurance to all NHS boards that appropriate and effective system controls are in place.

14.2.2 The Director of Finance shall:

(a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of Forth Valley NHS Board and individuals from inappropriate use or misuses of any financial and other information held on computer files, for which he is responsible after taking into account relevant legislation (including UK-GDPR and the Data Protection Act 2018), the Network and Information Systems Regulations 2018, the Freedom of Information (Scotland) Act 2002, and the Computer Misuse Act 1990.

(b) ensure that adequate data controls exist over data entry, processing, storage, transmission, and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system, including the use of any external agency arrangement.

(c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance, and amendment.

(d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as they may consider necessary are being carried out.

(e) ensure that contingency planning is undertaken and that adequate contingency arrangements are in place.

14.2.3 The Director of Finance shall satisfy themself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

14.2.4 Where computer systems have an impact on corporate financial systems the Director of Finance shall satisfy themself that:

(a) systems acquisition, development and maintenance are in line with corporate policies such as the Digital Healthcare Strategy

(b) data produced for use with financial systems is adequate, accurate, complete, timely and in a form determined by the Director of Finance, and that a management (audit) trail exists

(c) finance staff have access to such data

(d) such computer audit reviews as are considered necessary are being carried out

SECTION 15: INTERNAL AND EXTERNAL AUDIT

15.1 AUDIT AND RISK COMMITTEE

15.1.1 In accordance with Standing Orders (and as set out in DL (2019) 02 and the Blueprint for good governance in NHS Scotland 2nd edition published in Nov 2022), the Board shall establish an Audit and Risk Committee which will provide an independent and objective view of when considering the following;

(a) Internal control and corporate governance

(b) Internal Audit including the approval of the Strategic Audit Plan

(c) External Audit

(d) Standing Orders and Standing Financial Instructions

(e) Accounting Policies

(f) Annual Accounts (including the schedule of losses and compensations)

(g) Risk Management

15.1.2 Where the Audit and Risk Committee consider there is evidence of ultra-vires transactions, evidence of improper acts, or if there are other important matters that the Committee wish to raise, the Chairperson of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Scottish Government Health and Social Care Directorate.

15.1.3 It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided to Forth Valley Health Board and that this is reviewed regularly by the Audit Committee. The Audit Committee should be consulted on any decision to change the internal audit service provider and shall participate in the selection process for any new service provider.

15.2 DIRECTOR OF FINANCE

15.2.1 The Director of Finance shall be responsible for ensuring that internal audit is adequate for the needs of NHS Forth Valley and meets the NHS mandatory audit standards. The Director of Finance will ensure that there are arrangements to measure, evaluate and report on the effectiveness of internal control and efficient use of resources by the establishment of an adequate internal audit function headed by a Chief Internal Auditor of sufficient status.

15.2.2 It shall be the responsibility of the Director of Finance to review, appraise, and to report to management upon the adequacy of follow-up action to Audit Reports in accordance with the policy approved by the Audit Committee, which shall be reviewed at least biennially.

15.2.3 The Director of Finance shall ensure that an annual internal audit report is prepared by the Chief Internal Auditor and presented to the Audit Committee, in accordance with its timetable which contains:

(a) a clear statement on the adequacy and effectiveness of internal control

(b) details of major internal control weaknesses discovered

(c) a summary of progress against plan in the previous year

(d) quality measures as defined within the service specification

15.2.4 The Director of Finance shall be notified immediately whenever any matter arises which involves, or is thought to involve, irregularities involving cash, stores, other property of Forth Valley Health Board, or any suspected irregularity in the exercise of any function of a financial nature and shall inform the Chief Internal Auditor. The Director of Finance shall comply with the requirements of the Scottish Government Health and Social Care Directorate and of the Board's Fraud Policy in the resolution of these matters.

15.3 INTERNAL AUDIT

15.3.1 The Chief Internal Auditor shall be responsible directly to the Director of Finance for the provision of a professional and comprehensive Internal Audit Service to Forth Valley Health Board. In carrying out this responsibility the Chief Internal Auditor shall normally attend the meetings of the Audit and Risk Committee and will have the right of direct access to the Chief Executive, the Chairperson, or other members of the Audit and Risk Committee.

15.3.2 The objectives and scope of Internal Audit are set out in the Public Sector Internal Audit Standards (PSIAS) and the Board's approved audit charter. Internal Audit will review, appraise, and report upon:

(a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures

(b) the adequacy and application of financial and other related management controls

(c) the suitability of financial and other related management data

(d) the extent to which Forth Valley Health Board assets and interests are accounted for and safeguarded from loss of any kind, arising from:
- fraud and other offences
- waste, extravagance, or inefficient administration
- poor value for money
- other causes.

15.3.3 The Chief Internal Auditor shall be entitled, without necessarily giving prior notice, to require and receive:

(a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case he shall have a duty to safeguard the confidentiality);

(b) access to any land, premises, or employee of the Board;

(c) the production or identification by any employee of any Board cash, stores, or other property under the employee's control;

(d) explanations concerning any matter under investigation or review.

15.3.4 Where a matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Board, or any suspected irregularity in the function of a pecuniary nature, officers shall act in accordance with the provisions of Section 12 of the SFIs, the Board's Fraud Policy, relevant Financial Operating Procedures and the requirements of the Scottish Government Health and Social Care Directorate.

15.3.5 The Chief Internal Auditor shall report in accordance with the reporting protocol approved by the Audit Committee which shall be reviewed at least biennially.

15.3.6 Counter Fraud Service (CFS) staff acting on the Director of Finance's behalf may require and receive access to:

- All records, documents and correspondence relating to transactions relevant to an investigation.

- At all reasonable times to any premises or land of NHS Forth Valley.

15.4 EXTERNAL AUDIT

15.4.1 The External Auditors for Forth Valley Health Board are appointed by the Auditor General for Scotland. The audit appointments are rotated on a five year cycle in order to maintain External Auditors' independence.

15.4.2 The appointed External Auditor's statutory duties are contained in the Public Finance and Accountability (Scotland) Act 2000 and these are undertaken from a wider perspective than audits conducted in the private sector.

15.4.3 The External Auditor is concerned with providing an independent assurance of the Board's financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NHS accounts. However they will also consider additional aspects or risks in financial management, financial sustainability, vison, leadership and governance and the use of resources to improve outcomes.

15.4.4 The appointed External Auditor has a general duty to satisfy themself that:

(a) The Board's accounts have been properly prepared in accordance with the directions given under the Public Finance and Accountability (Scotland) Act 2000

(b) Proper accounting practices have been observed in the preparation of the accounts

(c) The Board has made proper arrangements for securing best value in the use of its resources

15.4.4 Additionally, Audit Scotland's Code of Audit Practice which covers the conduct of the audit, requires the appointed External Auditor to consider whether the statement of accounts represents a true and fair view of the financial position of the Board.

15.4.5 The External Auditor is required to provide an Audit Certificate and opinion to Forth Valley Health Board, Scottish Ministers and Audit Scotland. They are also required to submit a final report to members of Forth Valley Health Board, which summarises significant matters arising during the statutory audit. The auditor will also normally issue management letters to the Chief Executive and the Director of Finance highlighting any significant matters during the course of the audit.

15.4.6 The appointed External Auditor has special duties to report directly to the Auditor General should he have reason to believe that a Board decision would involve unlawful expenditure or would be unlawful and cause a loss or deficiency.

SECTION 16: ANNUAL REPORT AND ACCOUNTS

16.1 GENERAL

16.1.1 Forth Valley NHS Board is required under the terms of Section 86(3) of the National Health Service (Scotland) Act 1978 to prepare and submit Annual Accounts to Scottish Ministers.

16.1.2 The Director of Finance, on behalf of the Forth Valley NHS Board, shall prepare, certify, and submit annual accounts to the Chief Executive in such a form as directed by the Scottish Ministers and in accordance with the guidance and timetable laid down by the Scottish Government Health and Social Care Directorate.

16.1.3 The annual accounts are a public report on the financial and governance affairs of the NHS Board during the financial year and are laid before the Scottish Parliament. The annual accounts are comprised of the financial statements together with an annual report which consist of a performance report and accountability report.

16.1.4 The Annual Report and Accounts must comply with the accounting and disclosure requirements of the Government Financial Reporting Manual (FReM) as issued by HM Treasury for the year being reported on. Guidance in this NHS Board Annual Accounts Manual for the relevant year must also be followed.

16.1.5 The Board's Annual Accounts must be independently audited by an auditor appointed by the Auditor General for Scotland under the terms and provisions of the Public Finance and Accountability (Scotland) Act 2000.

16.1.6 On receipt of the audited Annual Accounts and the associated Management Letter, the Director of Finance shall:

(a) present the proposed management response for consideration by the Audit and Risk Committee;
(b) ensure that the accounts are presented to and approved by the Board at a Board meeting
(c) submit by the 30th of June each year to the Scottish Government to be laid before Parliament before being published.

16.1.7 The Director of Finance shall prepare and submit annually a financial report to the Board detailing the overall performance for the preceding financial year.

SECTION 17: STORES AND RECEIPT OF GOODS

17.1 GENERAL RESPONSIBILITIES

17.1.1 The Chief Executive shall delegate to an officer of Forth Valley NHS Board the responsibility for the overall control of stores.

17.1.2 The Director of Finance shall be responsible for design and implementation of the systems of control.

17.1.3 The day to day management of stores may be delegated to departmental officers and Stores Managers/Keepers, subject to such delegation being entered in a record available to the Director of Finance.

17.2 SECURITY ARRANGEMENTS

17.2.1 The responsibility for security arrangements and the custody of keys for all stores locations shall be clearly defined in writing by an officer delegated by the Chief Executive and agreed with the Director of Finance.

17.3 SYSTEMS AND STORES CONTROL

17.3.1 All stores' records shall be in such form and shall comply with such system of control as the Director of Finance shall approve.

17.3.2 The Director of Finance shall set out procedures and systems to regulate stores transactions including records for receipt of goods from store and returns to store.

17.3.3 Wherever practicable stocks shall be marked as health service property.

17.3.4 Controlled stores and department stores established for immediate use should be:

(a) maintained at the minimum practicable store levels related to operational requirements
(b) subject to a regular stock takes (either as part of a rolling programme or a full annual stock take)
(c) valued at the lower of cost or net realisable value

17.3.5 The nominated manager/pharmaceutical officer shall be responsible for a system, approved by the Director of Finance, for a review of slow moving and obsolete items and for the condemnation, disposal, and replacement of unserviceable articles. The designated officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (See Section 12). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

17.3.6 Stock levels should be kept to a minimum consistent with operational efficiency.

17.3.7 Stocktaking arrangements shall be agreed with the Director of Finance, with either an agreed physical rolling programme of stock takes throughout the year or a full

annual stock take. However, depending on the value and marketability of some items, a system of perpetual inventory checking may be applied.

17.3.8 Those stores designated by the Director of Finance as comprising more than 7 days of normal use should be:

(a) subjected to annual or continuous stock-take
(b) valued at the lower of cost and net realisable value

SECTION 18: PATIENTS' PROPERTY

18.1 GENERAL

18.1.1 Forth Valley NHS Board has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.

18.1.2 The Chief Executive shall be responsible for informing patients or their guardians, as appropriate, before or at admission, that the Board will not accept responsibility or liability for patient's property brought into health service premises, unless it is handed in for safe custody and a copy of an official patient's property record is obtained as a receipt.

18.1.3 The Director of Finance shall provide detailed written instructions for the receipt, custody, recording, safekeeping, and disposal of patient's property (including instructions on the disposal of the property of deceased patients and patients transferred to other premises) for all staff who have responsibility for the property of patients. The Director of Finance will also have procedures in place to deal with the loss of patients' property.

18.1.4 Where Scottish Government Health and Social Care Directorate instructions require the opening of separate accounts for patients' monies as part of Corporate Appointee duties, these shall be opened and operated under arrangements agreed by the Director of Finance.

18.1.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

18.1.6 The Director of Finance will ensure there are instructions and guidance for managing the funds of patients with incapacity who are unable to manage their own financial affairs. Funds may be managed either through DWP Appointeeship, or where necessary, powers delegated to ward managers by NHS Forth Valley under part 4 of the Adults with Incapacity (Scotland) Act 2000.

18.1.7 Staff should be informed on appointment, by the appropriate departmental or senior manager, of their responsibilities and duties for the administration of the

property of patients. Staff will be expected to familiarise themselves with the relevant financial operating procedures in respect of patients property.

18.1.8 Where patients' property or income is received for specific purposes and held for safekeeping, the property of income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

18.1.9 The Director of Finance shall prepare an abstract of receipts and payments of patients' private funds in the form laid down in the Board Accounts Manual. This abstract shall be audited independently and presented to the Audit Committee annually, with the auditor in attendance at the meeting.

SECTION 19: RISK MANAGEMENT

19.1 GENERAL

19.1.1 The Chief Executive shall ensure that Forth Valley NHS Board has a risk management strategy which sets out the principles and approaches to risk management that will be followed in relation to risks that could threaten achievement of business objectives. The risk management strategy will be approved and monitored by the Forth Valley NHS Board.

19.1.2 The programme of risk management shall include, inter alia:

a) a process for identifying and quantifying risks and potential liabilities including those arising from the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)
b) engendering among all levels of staff a positive attitude towards the control of risk
c) management processes to ensure that all significant risks and potential liabilities are mitigated as far as possible, including effective systems of internal control and decisions on the acceptable level of retained risk
d) contingency plans to offset the impact of adverse events
e) audit arrangements including external and internal audit, clinical audit, health, and safety review
f) arrangements to review the risk management programme
g) development of a financial risk management strategy to cope with possible in-year variations to the initially set budget

19.1.3 The existence, integration and evaluation of the above elements will provide a basis for the Audit and Risk Committee to make a statement on the effectiveness of internal control and corporate governance to Forth Valley NHS Board.

SECTION 20: PRIMARY CARE CONTRACTORS

20.1 GENERAL

20.1.1 The Practitioner and Counter Fraud Services Division (PCFS) of NHS National Services Scotland (NSS) is the payment agency for all Family Health Service (FHS) contractor payments due to:

(a) General Practitioners
(b) Dentists
(c) Community Pharmacists
(d) Optometrists

20.1.2 The Director of Finance shall conclude a "Partnership Agreement" with the PCFS division covering validation, payment, monitoring, reporting and the provision of an audit service by the NSS service auditors. The agreement will be signed off by the Chief Executive of NHS Forth Valley.

20.1.3 The Board will approve additions to, and deletions from, the approved performers list of FHS contractors in line with the National Health Service (Primary Medical Services Performers Lists) (Scotland) Regulations 2004 and other applicable guidance and regulations, including consideration of the health needs of the local population and access to existing services. All applications and resignations received will be dealt with equitably, within any time limits laid down in the relevant contractors' NHS terms and conditions of service.

20.1.4 The Director of Finance will:

(a) ensure that lists of all contractors are maintained and kept up to date; and
(b) ensure that systems are in place to deal with applications, resignations, inspection of premises, etc. within the appropriate contractor's terms and conditions of service.

20.1.5 The Director of Finance shall ensure that NSS systems are in place to provide assurance that:

(a) only contractors who are included on the Board's approved lists receive payments;
(b) all valid contractors' claims are paid correctly, and are supported by the appropriate documentation and authorisations
(c) any payments to third parties are notified to the Independent Contractors on whose behalf payments are made
(d) ensure that regular independent pre and post payment verification of claims is undertaken to confirm that:

- payment criteria/eligibility rules have been correctly and consistently applied
- overpayments are prevented wherever possible; if, however, overpayments are detected, recovery measures are initiated
- fraud is detected and instances of actual and potential fraud are followed up

(e) exceptionally high/low payments are identified and escalated
(f) payments made via NSS are reported to NHS Forth Valley as appropriate
(g) local payments made on behalf of the Board by NSS are pre-authorised
(h) payments made by NSS are reconciled with the cash draw-down reported by the Scottish Government Health and Social Care Directorate to the Board

20.1.6 The Director of Finance shall prepare operating procedures to cover all payments made by NSS (both payments made directly, or payments made on behalf of the Board and/or Contractors).

20.1.7 Payments made to all FHS independent contractors shall comply with their appropriate contractor regulations.

SECTION 21: STANDARDS OF BUSINESS CONDUCT

21.1 GENERAL

21.1.1 Detailed information is available in the NHS Scotland Conduct policy and the local NHS Forth Valley Policy on Standards of Business Conduct.

21.1.2 MEL (1994) 80 also provides details of the principles for standards of conduct and accountability in situations when there is potential conflict between the private interests of NHS staff and their duties.

21.1.3 It will be the responsibility of the Chief Executive to:

(a) ensure that the NHS Scotland conduct policy, any local conduct policy and all Scottish Government Health and Social Care Directorate guidelines on standards of business conduct for NHS staff as per MEL (1994) 48 are brought to the attention of all staff, and are effectively implemented
(b) develop local conflict of interest policies and the machinery to implement them, in consultation with staff and local staff representatives
(c) ensure that such policies and procedures are kept up to date
(d) ensure that a full operational policy on the Standards of Business Conduct is developed and communicated to staff

21.1.4 The business of the Board will be conducted in accordance with the Ethical Standards in Public Life etc (Scotland) Act 2002. All members of staff have a duty to maintain strict ethical standards in the conduct of their business as an employee of Forth Valley NHS Board.

21.1.5 It is the responsibility of all staff when acting on NHS Forth Valley's behalf to:

- conduct the business of the organisation professionally, with honesty, integrity, free from bribery and maintain the organisations reputation
- if staff are in any doubt as to what they can or cannot do they must seek advice from their line manager or from the Human Resources Department.
- Note that breaches may lead to disciplinary action or to dismissal.

21.2 BRIBERY ACT 2010

21.2.1 The Bribery Act 2010 is one of the strictest pieces of legislation on bribery and makes it a criminal offence for any individual (employee, contractor, agent) associated with NHS Forth Valley to give, promise or offer a bribe or to request, agree to receive or accept a bribe (section 1,2 and 6 offences). This can be punishable for an individual by imprisonment of up to 10 years.

21.2.2 In addition, the Act introduces a corporate offence (section 7 offence) which means that NHS Forth Valley can be exposed to criminal liability, punishable by an unlimited fee if it fails to prevent bribery by not having adequate preventative procedures in place that are robust, up-to-date, and effective. The corporate offence is not a standalone offence and would follow a bribery/corruption offence committed by an individual associated with NHS Forth Valley in the course of their work.

21.2.3 If a bribery offence is proved to have been committed by an outside body corporate with the consent or connivance of a Director or Senior Officer of NHS Forth Valley, under the Act the Director or Senior Officer would be guilty of an offence (Section 14 offences) as well as the body corporate which paid the bribe.

21.2.4 Whilst the exact definition of bribery and corruption is a statutory matter, the following working definitions are given:

- Bribery is an inducement or reward offered, promised, or provided to gain any commercial, contractual, regulatory, or personal advantage.

- Broadly, the Act defines bribery as giving or receiving a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.

- Bribery does not have to involve cash, or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

- Corruption relates to a lack of integrity or honesty including the use of trust for dishonest gain. It can broadly be defined as the offering or acceptance of inducements, gifts, favours, payments, or benefits in kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly however they may be unreasonably using their position to give some advantage to another.

21.2 GIFTS, HOSPITALITY, AND INDUCEMENTS

21.2.1 The policy on the Standards of Business Conduct applies to all members of staff at all times.

21.2.2 Officers of Forth Valley NHS Board should not accept business gifts, but articles of a low intrinsic value such as chocolates, biscuits, business diaries or calendars, need not necessarily be refused. No gifts of alcohol should be accepted. Acceptance of gifts over £25 but under £200 require to be authorised by Line Management. Gifts over £200 require to be authorised by Head of Service or Director.

21.2.3 Care should be taken when accepting hospitality. All hospitality offered, such as lunches and dinners, corporate hospitality events, etc should be reported to the officer's superior before acceptance.

21.2.4 Any inducements offered should be reported to the officer's superior.

21.2.5 Visits at suppliers' expense to inspect equipment etc should not be undertaken without the prior approval of the Chief Executive and in the case of the Chief Executive by the prior approval of the Chairperson.

21.2.6 A register to record all gifts received by staff with a value over £25 is maintained by the Corporate Services Department and it is the responsibility of the recipients of such gifts to report all such items received. The form 'Declaration of Staff interests and Gifts/Hospitality' (Annex 2 of the Policy on Standards of Business Conduct' should be used for this purpose). This register will be published on the NHS Forth Valley website.

21.3 ACQUISITION OF GOODS AND SERVICES

21.3.1 If officers are involved in the acquisition of goods and services, they should adhere to the ethical code of the Institute of Purchasing and Supply.

21.3.2 Officers should ensure that acceptance of commercial sponsorship will not influence or jeopardise purchasing decisions.

21.4 DECLARATION OF INTERESTS

21.4.1 To avoid conflicts of interest and to maintain openness and accountability all directors, members of staff and non-executive board members have a responsibility to promptly declare relevant interests and any changes to those interests that may arise from time to time.

21.4.2 Employees are required to register all interests that may have any relevance to their duties/responsibilities. These include any financial interest in a business or any other activity or pursuit that may compete for an NHS contract to supply either goods or services to the NHS or in any other way that could be perceived to conflict with the interests of NHS Forth Valley. The test to be applied when considering appropriateness of registration of an interest is to ask whether a member of the public acting reasonably might consider the interest could potentially affect the individual's responsibilities to the organisation and/or influence their actions. If in doubt the individual should register the interest or seek further guidance from the Corporate Services Department.

21.4.3 Interests that it may be appropriate to register include:-

(i) Other employment including self-employment

(ii) Directorships including Non-Executive Directorships held in private companies or public limited companies whether remunerated or not

(iii) Ownership of, or an interest in private companies, partnerships, businesses, or consultancies

(iv) Shareholdings in organisations likely or possibly seeking to do business with the NHS (the value of shareholdings need not be declared)

(v) Ownership of or an interest in land or buildings which may be significant to, of relevance to, or bear upon the work of NHS Forth Valley

(vi) Any position of authority held in another public body, trade union, charity, or voluntary body

(vii) Any connection with a voluntary or other body contracting for NHS services

(viii) Any involvement in joint working arrangements with Clinical or other Suppliers

21.4.4 This list is not exhaustive and should not preclude the registration of other forms of interest where these may give rise to a potential conflict of interest upon the work of NHS Forth Valley. Any interests of spouses, partner or civil partner, close relative or associate or persons living with the individual as part of a family unit will also require registration if a perceived or actual conflict of interest exists.

21.4.5 Forth Valley NHS Board will maintain a Register of Interests and publish this on the Board's website

SECTION 22: SUSPECTED THEFT, FRAUD & OTHER FINANCIAL IRREGULARITIES

22.1 INTRODUCTION

22.1.1 The following procedures should be followed, as a minimum, in cases of suspected theft, fraud, embezzlement, corruption or other financial irregularities to comply with the NHS Scotland Counter Fraud Service Strategy and the Board's local fraud policies and protocols. This procedure also applies to any non-public funds.

22.2 THEFT, FRAUD, EMBEZZLEMENT, CORRUPTION AND OTHER FINANCIAL IRREGULARITIES

22.2.1 The Chief Executive has the responsibility to designate an officer within the Board with specific responsibility for co-ordinating action where there are reasonable grounds for believing that an item of property, including cash has been stolen.

22.2.2 It is the designated officer's responsibility to inform as they deem appropriate the police, the Counter Fraud Services (CFS), the appropriate director, the Appointed Auditor, and the Chief Internal Auditor where such an occurrence is suspected.

22.2.3 Where any officer of the Board has grounds to suspect that any fraud related activities has occurred, their line manager should be notified without delay. Line managers should in turn immediately notify the Board's Director of Finance, who should ensure consultation with the CFS, normally via the Chief Internal Auditor. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.

22.2.4 If, in exceptional circumstances, the Director of Finance and the Chief Internal Auditor are unavailable the line manager will report the circumstances to the Chief Executive who will be responsible for informing the CFS. As soon as possible thereafter the Director of Finance should be advised of the situation.

22.2.5 Where preliminary investigations suggest that prima facie grounds exist for believing that a criminal offence has been committed, the CFS will undertake the investigation, on behalf of, and in co-operation with, the Board. At all stages the

Director of Finance and the Chief Internal Auditor will be kept informed of developments on such cases. All referrals to the CFS must also be copied to the Appointed Auditor.

22.3 REMEDIAL ACTION

22.3.1 As with all categories of loss, once the circumstances of a case are known the Director of Finance will require to take immediate steps to ensure that so far as possible these do not recur. However, no such action will be taken if it would prove prejudicial to the effective prosecution of the case. It will be necessary to identify any defects in the control systems, which may have enabled the initial loss to occur, and to decide on any measures to prevent recurrence.

22.4 REPORTING TO THE SCOTTISH GOVERNMENT HEALTH AND SOCIAL CARE DIRECTORATE

22.4.1 While normally there is no requirement to report individual cases to the Scottish Government Health and Social Care Directorate, there may be occasions where the nature of scale of the alleged offence, or the position of the person or persons involved, could give rise to national or local controversy and publicity. Moreover, there may be cases where the alleged fraud appears to have been of a particularly ingenious nature or where it concerns an organisation with which other health sector bodies may also have dealings. In all such cases the Scottish Government Health and Social Care Directorate must be notified of the main circumstances of the case at the same time as an approach is made to the CFS.

22.5 RESPONSES TO PRESS ENQUIRIES

22.5.1 Where the publicity surrounding a particular case of alleged financial irregularity attracts enquiries from the press or other media, the Chief Executive should ensure that the relevant officials are fully aware of the importance of avoiding issuing any statements, which may be regarded as prejudicial to the outcome of criminal proceedings.

APPENDIX A: TENDERING AND CONTRACT PROCEDURES

1. TENDERING PROCESS

1.1 The Chief Executive shall prescribe standard terms and conditions of contract appropriate to each class of supplies and services and for the execution of all works. All contracts entered into shall incorporate the appropriate set of terms and conditions.

1.2 All invitations to potential contractors to tender shall include a notice, warning tenderers of the consequences of engaging in any corrupt practices involving Board employees.

1.3 In the event of tenders being required, notification should be sent to the Corporate Business Manager (Chief Executive's Office) providing details of the tender request sent out, specification, closing date and time and the number of anticipated submissions.

1.4 A record will be maintained of all invitations to tender.

1.5 Tenders shall be invited in plain sealed envelopes addressed to the Chief Executive. The envelope shall be marked 'Tender for ……' but shall not bear the name or identity of the sender.

1.6 Unopened tenders shall be date stamped and stored unopened in a secure place until after the closing date or time.

1.7 Tenders shall be opened as soon as possible after the stated closing date or time by the officer nominated by the Chief Executive, in the presence of an independent witness, normally from the Finance Directorate.

1.8 Details of each tender received should be entered into a register or record of tenders and will be signed by both officers. Tender documents shall also be date stamped and signed on the front page and all priced pages initialled by both officers.

1.9 Where it is in the interests of the Board, late, amended, incomplete, qualified, or not strictly competitive tenders may be considered. In such circumstances a full report shall be made to the Chief Executive who may admit such tenders. This approval must be given in writing by the Chief Executive. Where a Company invited to tender requests a delay in the submission, deferment, if approved, shall be notified to all the Companies concerned. A record of all delays requested, and the outcome of the request shall be maintained.

1.10 The examination of the tenders received shall include a technical assessment, and a written report on the result, containing a recommendation should be made to the Chief Executive. At the same time, staff responsible for making this recommendation shall declare in writing that they have no pecuniary interest in the recommended Company.

1.11 The Chief Executive may accept the tender provided it is the lowest cost (or for disposals the highest sales price) and has been recommended for acceptance, and that on the advice of the Director of Finance, financial provision is available within the overall Board resource. If it is proposed to accept a tender other than the lowest cost,

the Chief Executive will record the reason for this decision. e.g., best overall lifetime cost.

1.12 All officers shall follow any relevant guidance issued by the Scottish Government Health and Social Care Directorate.

1.13 Payment under the contract shall be made by the Director of Finance who shall have the right to carry out such financial examinations and checks as considered necessary before making payment.

1.14 Approval for increases in prices allowed under an appropriate variation of prices clause in a contract for supplies and services shall be given by the Chief Executive.

1.15 No contract for the purchase of computer equipment or software outwith the eHealth Department shall be entered into without the Director of Finance's prior written approval.

1.16 Post-tender negotiation may be undertaken where it is anticipated that such action will reduce cost to the Board and where such negotiation has specially been approved in advance by the Chief Executive and Director of Finance. In such circumstances the negotiation must take place with not less than two employees of the Board present both of whom must be approved for the purpose by the Chief Executive. A record of the names of those present at the negotiation must be kept along with a record to the final prices and conditions agreed.

1.17 Where post-tender negotiation is undertaken with some but not all of the companies who submitted tenders a record of criteria for the selection must be kept by the managers concerned. Companies invited to post-tender negotiation must include those in the following categories:

(a) Companies who, following analysis of the original tender offers, are one of the cheapest three for each product item.

(b) The two companies “winning” the highest number total value of business following analysis of the original tender offers.

1.18 In addition to complying with the sections above officers involved in post-tender negotiation should familiarise themselves with the guidance produced by the Central Unit on Purchasing issued by HM Treasury.
(See: www.hm-treasury.gov.uk/pub/html/docs/cup/guidance.html)

1.19 For the period between opening of tenders and completion of the post-tender negotiation the tender documents shall be stored in a secure place when not actively under analysis.

1.20 Consultants appointed by the Board to be responsible for the supervision of a contract on its behalf shall comply with these Standing Financial Instructions as though they were officers of the Board.

1.21 In circumstances where the need for additional work is identified or a variation to an existing contract is required, the Head of Procurement should be consulted first to ensure that this does not represent a material change to the contract which would require a new procurement and tender process. All Variations must be approved by the Director of Finance or designated Deputy, or in their absence, the Chief Executive. Variations shall include not only contract cost but contract term.

1.22 A contract and framework agreement may be modified without a new procurement procedure:

(a) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses:

I. state the scope and nature of possible modifications or options as well as the conditions under which they may be used; and

II. do not provide for modifications or options that would alter the overall nature of the contract or framework agreement.

(b) to provide for additional works, supplies or services by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor:

I. cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement; and

II. would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the initial contract value;

(c) where all of the following conditions are fulfilled:

I. the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
II. the modification does not alter the overall nature of the contract or framework;

III. any increase in price does not exceed 50 % of the initial contract value or framework agreement.

Guidance within Section 72 of the Public Contracts Regulations 2015 should be followed.

SECTION G

Risk Management

1. Introduction

The Risk Management Strategy sets out the principles and approaches to risk management which are to be followed throughout NHS Forth Valley in relation to risks that could threaten the achievement of business objectives. Its aim is to achieve a consistent and effective application of risk management and enable it to be embedded into all core processes, forming part of the day-today management activity of the organisation. Risk Management, when deployed effectively, should add value by supporting day-to-day activities as opposed to being seen as a separate, self-contained process and this Strategy supports this approach.

1.1. What is a Risk?

A risk can be defined as 'the effect of uncertainty on objectives' (*ISO31000)*. It is essentially any uncertain event which can have an impact upon the achievement of an organisation's objectives – either reducing the likelihood of achievement or stopping it altogether.

Not every perceived problem or adverse event is a risk. An important distinction must be made between what is a risk and what is an issue – or in other words, an uncertainty and a certainty. A risk is an event that may or may not happen. An issue or adverse event is something that is currently happening or has already happened. Issues and adverse events should therefore not be recorded and treated as risks – we want to adopt a proactive rather than reactive stance.

1.2. What is Risk Management?

Risk management is a systematic way of dealing with that uncertainty which involves the identification, analysis, control and monitoring of risk. Risk Management activities are designed to achieve the best possible outcomes and reduce the uncertainty. An effective system of risk management will draw together all types of risks and enable an interrelated view of the organisation's risk profile.

1.3. Why do we need Risk Management?

An effective system of risk management will deliver a range of outputs:

- Ensuring that decision making is informed and risk-based, to maximise the likelihood of achieving key strategic objectives and effective prioritisation of resources
- Ensuring compliance with legislation, regulations, and other mandatory obligations
- Providing assurance to internal and external governance groups that risks are being effectively controlled
- Supporting organisational resilience
- Raising awareness of the need for everyone to adopt consistent risk management behaviours and actions in our everyday business
- Empowering all staff to make sound judgements and decisions concerning the management of risk and risk taking – fostering a "risk aware" rather than "risk averse" culture
- Achievement of effective and efficient processes throughout the organisation

- Anticipating and responding to changing political, environmental, social, technology and legislative requirements and / or opportunities
- Preventing injury and / or harm, damage and losses.

Effective risk management will be achieved by:

- Clearly defining roles, responsibilities and governance arrangements for individuals, teams and assurance committees within NHS Forth Valley
- Incorporating risk management in all Executive Leadership Team, Health Board, Integration
  Joint Board and Assurance Committee reports and when taking decisions
- Maintaining risk registers at all levels that are linked to the organisation's strategic objectives, primarily using risk management software to capture key risk data
- Staff at all levels understanding risk management principles, and consistently applying them through their everyday activities, confidently identifying risks and taking actions to bring them within the organisation's risk appetite
- Monitoring and reviewing risk management arrangements on a regular basis
- Seeking assurance that controls relied on to mitigate risks are effective
- Communication and engagement with stakeholders to maintain awareness, build trust, encourage buy-in and embedding of risk management activities.

2. Risk Architecture

The arrangements for communication, governance, reporting, roles and responsibilities forms the organisation's overarching risk architecture. Defining a consistent approach to how and where risk information is communicated is essential to developing a positive risk culture and to ensuring risk management is appropriately implemented to support NHS Forth Valley activities.
Risks, once identified, are captured on risk registers. Each Department and Specialty will hold a risk register for its area – these form the bottom level of risk registers. There are four main levels of risk register and an escalation route exists for risks that cannot be fully mitigated at the Department / Speciality level. This risk register hierarchy is detailed below.

Risk Register Hierarchy

Strategic Risk Register

Risks contained in the Strategic Risk Register (previously known as the Corporate Risk Register) are the high-level risks that could impact the delivery of longer-term strategic objectives of the organisation. Risks are not escalated/de-escalated from lower-level risk registers to the Strategic Risk Register. Instead, risk identification for the Strategic Risk Register is facilitated through twice yearly review and horizon scanning sessions led by the Executive Leadership Team.

Organisational/System-wide Risk Register

Risks contained in the Organisational/System-wide Risk Register are top level, cross cutting risks that present a significant short-medium term threat to multiple Directorates or the Health and Social Care Partnerships (HSCPs). Risks are escalated and de-escalated via the Directorate and HSCP Risk Register(s).

Directorate Risk Registers

Each Directorate holds a risk register that contains a cut of the most significant risks from its component Departments / Specialties. Risks are escalated to the Directorate level via the individual Department / Specialty risk registers.

Department Risk Registers

Each Department and Specialty will hold a risk register for its area – these form the bottom level of risk registers.

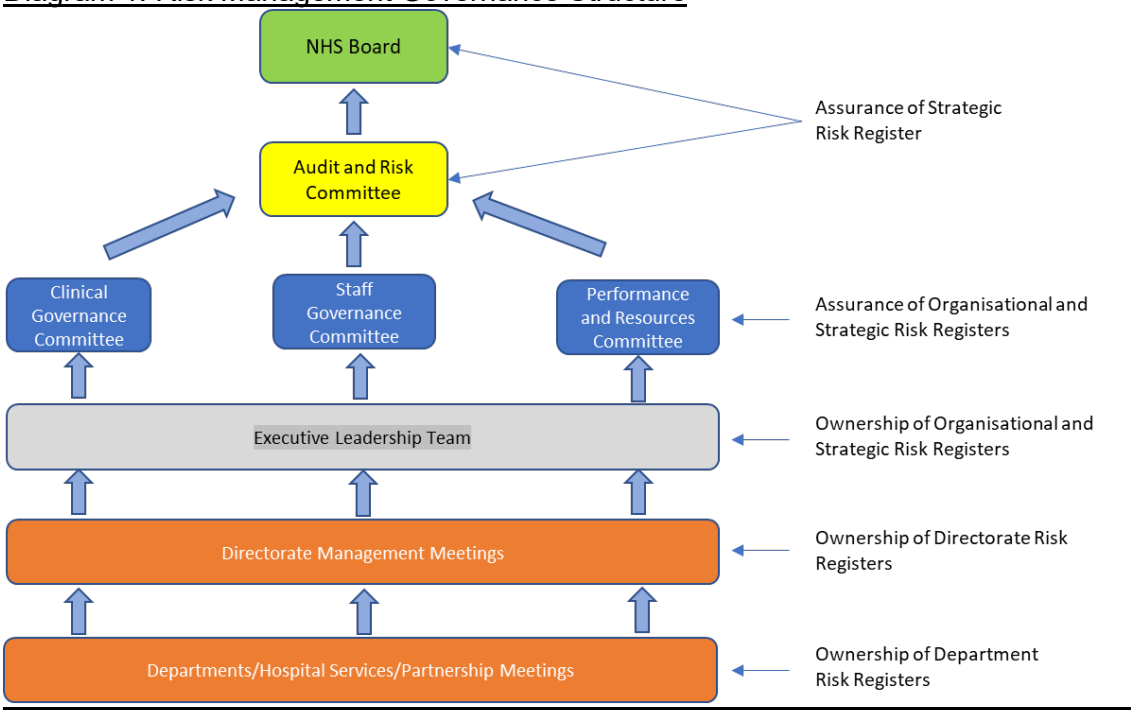
2.1. Governance & Reporting

The Board of NHS Forth Valley is corporately responsible for the Risk Management Strategy and for ensuring that significant risks are adequately controlled. To support

the Board a number of formal committees have been established and are responsible for various aspects of risk management, principally these are the Audit and Risk, Performance & Resources, Clinical Governance and Staff Governance Committees. All Health Board Committees are responsible for providing assurance on the effective management of risks relevant to their area of responsibility. In addition, the Audit and Risk Committee has a responsibility for overseeing the operation of the Risk Management Strategy, taking assurance from the Executive Leadership Team.

Diagram 1 illustrates NHS Forth Valley's risk management governance structure.

Diagram 1: Risk Management Governance Structure


NHS Board
Audit and Risk Committee
Clinical Governance Committee
Staff Governance Committee
Performance and Resources Committee
Executive Leadership Team
Directorate Management Meetings
Departments/Hospital Services/Partnership Meetings
Assurance of Strategic Risk Register
Assurance of Organisational and Strategic Risk Registers
Ownership of Organisational and Strategic Risk Registers
Ownership of Directorate Risk Registers
Ownership of Department Risk Registers

2.2. Roles & Responsibilities

Risk Management Roles & Responsibilities
NHS Board

- Provide Oversight and Scrutiny of NHS Forth Valley's risk management arrangements to seek assurance on their effectiveness

- Approve risk appetite within NHS Forth Valley

Chief Executive

- To have overall accountability for the management of risk across NHS Forth Valley

Executive Leadership Team

- Set risk appetite within NHS Forth Valley
- Ensure risk management processes are supported to provide them with adequate information and assurance related to strategic and organisational/system-wide risks

Audit and Risk Committee

- To evaluate and recommend approval of the strategies and frameworks in respect of risk management to the NHS Board, and provide assurance on the effectiveness of the risk management arrangements, systems and processes
- To approve updates and provide direction in respect of risks held within the strategic and organisational/system-wide risk registers
- To review the organisation's risk culture and maturity and direct action in pursuit of continuous improvement in this area
- To formally approve the strategic risk register for onward reporting to the NHS Board

Assurance Committees

- To ensure that an appropriate approach is in place to deal with risk management across the system working within the NHS Forth Valley Risk Management Strategy, and consider and endorse the assurance provided by the Executive Leadership Team and Senior Management regarding the effective management and escalation of risks

Executive and Non Executive Directors

- To ensure that risk management processes are providing appropriate information and assurances relating to risks in Directorates
- Promote the importance of risk management and foster a good risk culture within their area of responsibility
- Approve escalation of Directorate level risks where appropriate

Corporate Risk Manager

- Responsible for the implementation of the Risk Management Strategy
- Ensure risks are properly identified, understood and managed across all levels within the organisation
- Report on the organisation's risk profile at Assurance and Audit Committees and NHS Board, and oversee reporting to Directorates
- Periodically review the Risk Management Strategy and arrangements, identifying areas for potential improvement
- Drive an improving risk culture through risk education, awareness and embedding into day-today management

- Assist the Corporate Risk Manager with the development and implementation of the Risk Management Strategy
- Act as a key point of contact for Risk Management, providing expert advice and guidance and supporting the Directorates and Partnerships
- Assist the Corporate Risk Manager with reporting on the organisation's risk profile, providing Risk Management representation at various levels
- Support an improving risk culture through delivery of training, awareness and supporting

Directorates and Partnerships to embed risk considerations into day-to-day management

Risk Owner

- Accountable for ensuring the effective management of a risk, and providing assurance that key controls are operating effectively
- While the Chief Executive owns all risks, ownership and therefore accountability is delegated to an appropriate level
- At Strategic and Organisational/system-wide Level, the risk owner is the relevant Director/Chief Officer
- At Directorate and Departmental Level the risk owner is the relevant Head of Service/Department or equivalent

Risk Lead

- Responsible for managing a risk on a day-to-day basis, assessing the risk score and updating the management plan, reviewing the risk on a regular basis and identifying sources and levels of assurance regarding control effectiveness, to allow risk owners to provide assurance

Risk Champion

- Responsible within an individual speciality, department or Directorate area for maintaining lines of communication with the risk function, administering the risk register and co-ordinating all risk activities

Integrated Risk Management: Health & Social Care Partnerships

In order to ensure strong risk management partnership arrangements, it will be necessary to agree how some emerging risks have an impact on more than one partner at a strategic level. Risks will be discussed and agreed across partners, with particular focus on:

- Where the risk was first identified
- Date of identification
- Nature of emerging risk
- Impact areas (e.g. service delivery, performance, strategic commissioning intentions etc)
- Mitigation required
-

Risks with the potential to impact more than one partner will be identified for inclusion in one or more of the following risk registers:

- NHS Forth Valley Strategic Risk Register or Organisational/System-wide Risk Register
- Clackmannanshire and Stirling IJB Strategic Risk Register
- Falkirk IJB Strategic Risk Register
-

Any such emerging risks will be submitted to the NHS Forth Valley Executive Leadership Team to approve inclusion on the Strategic Risk Register.

Operational risks will continue to be managed by partner bodies, with relevant risk specialists working together to ensure consistent practice, and that respective Risk Management strategies are aligned. The IJBs will also have a defined risk appetite to determine the target score range for strategic risks. It is recognised that partners may not have the same appetite, however these variances will be taken into consideration when the risks are being managed and reported.

Reciprocal assurances on the operation of the Risk Management arrangements and of the adequacy and effectiveness of key controls will be provided to/from partners. Receipt/provision of assurance will be facilitated by risk specialists from partner bodies, who will attend regular meetings to discuss risks and provide relevant advice.

3. Risk Appetite

Utilising risk appetite principles can help the organisation identify and set appropriate thresholds for risks, whereby the Board establishes the level of risk they are willing and able to absorb in pursuit of objectives.
The delivery of public services can be inherently high risk and the concept of applying risk appetite can be challenging. However, the application of risk appetite, particularly in a resource-finite environment, is essential to avoid over or under management of risk. Deployed effectively, risk appetite can act as an enabler to the delivery of key services.

Risk Appetite:
The amount and type of risk we, as an organisation, are willing to seek or accept in the pursuit of our objectives.

Key considerations when applying risk appetite:

- It is not always possible to manage every risk down the minimum or most desirable level and maintain service delivery
- It is not always financially affordable or manageable to fully remove risk and uncertainty from decision making and service delivery
- Risk management is concerned with balancing risk and opportunity (or downside risk and upside risk)

When a risk increases to a point where it is no longer within risk appetite, it may initially fall within a range which is not desirable, but the organisation has the capacity to tolerate. This is known as the risk tolerance range.

Risk Tolerance:
The maximum level of risk the organisation can tolerate regarding each type of risk before it is significantly impacted.

If a risk is out of appetite and falls within the tolerance range, this indicates that close monitoring and corrective action is required to bring the risk back within appetite. A risk with a current score out with the tolerance range requires escalation and immediate corrective action.

There are benefits to the practical application of Risk Appetite:

- supports decision making (resources can be allocated to risks further away from the desired appetite level)
- allows further prioritisation (if you have several risks with the same score, mitigate those further from appetite first)
- subjectivity is taken away from the setting of target scores (the appetite range becomes the target score)

Risk appetite is also useful when budget setting or considering approval of business cases, such as those relating to innovation activity. Identifying associated risks and their appetite levels allows focus on activities which mitigate the risks furthest from the organisation's desired risk appetite/tolerance levels.

3.1. Risk Appetite Levels

There are four levels of risk appetite within NHS Forth Valley. Each risk category in the risk assessment matrix is assigned one of the risk appetite levels described below. The risk appetite levels and their application to each risk category is set and approved by the NHS Board. Risk appetite may vary depending on internal and external circumstances; therefore the levels will be reviewed on an annual basis.

Averse:
- Very little appetite for this type of risk
- Avoidance of risk and uncertainty is a key organisational objective
- Exceptional circumstances are required for any acceptance of risk

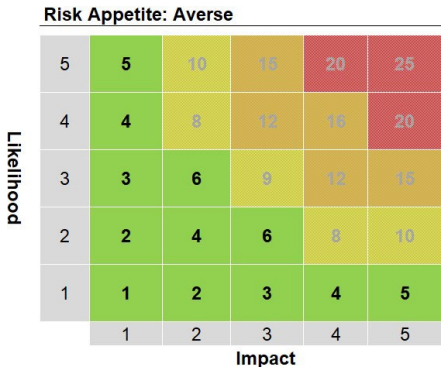
Cautious:
- Minimal appetite for this type of risk.
- Preference for ultra-safe delivery options that have a low degree of inherent risk and only reward limited potential.

Moderate:
- Acceptance that a level of risk will be required to pursue objectives, or that a greater level of risk must be tolerated in this area.
- Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward.

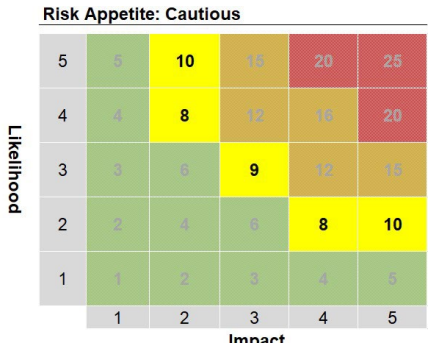
Open:
- Acceptance that risk must be more actively taken in the pursuit of transformation or that a high level of risk must be tolerated.

- Willing to consider all potential delivery options and choose the one most likely to result in successful delivery while also providing an acceptable level of reward (and Value for Money).
- Eager to be innovative and confident in setting high level of risk appetite as controls are robust.

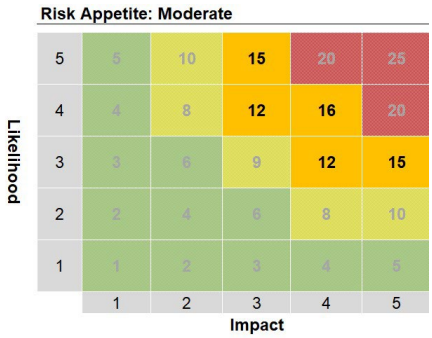
Each risk appetite level correlates with risk score levels on our risk assessment matrix as shown below. Refer to the NHS Forth Valley Risk Appetite Statements (Appendix E) for details on risk appetite levels for each risk category.



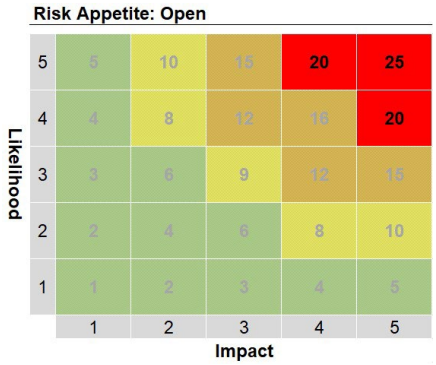
Demonstrates that if the risk appetite is 'Averse', a risk score of between 1-6 and the range of associated outcomes is within appetite



Demonstrates that if the risk appetite is 'Cautious', a risk score of between 8-10 and the range of associated outcomes is within appetite



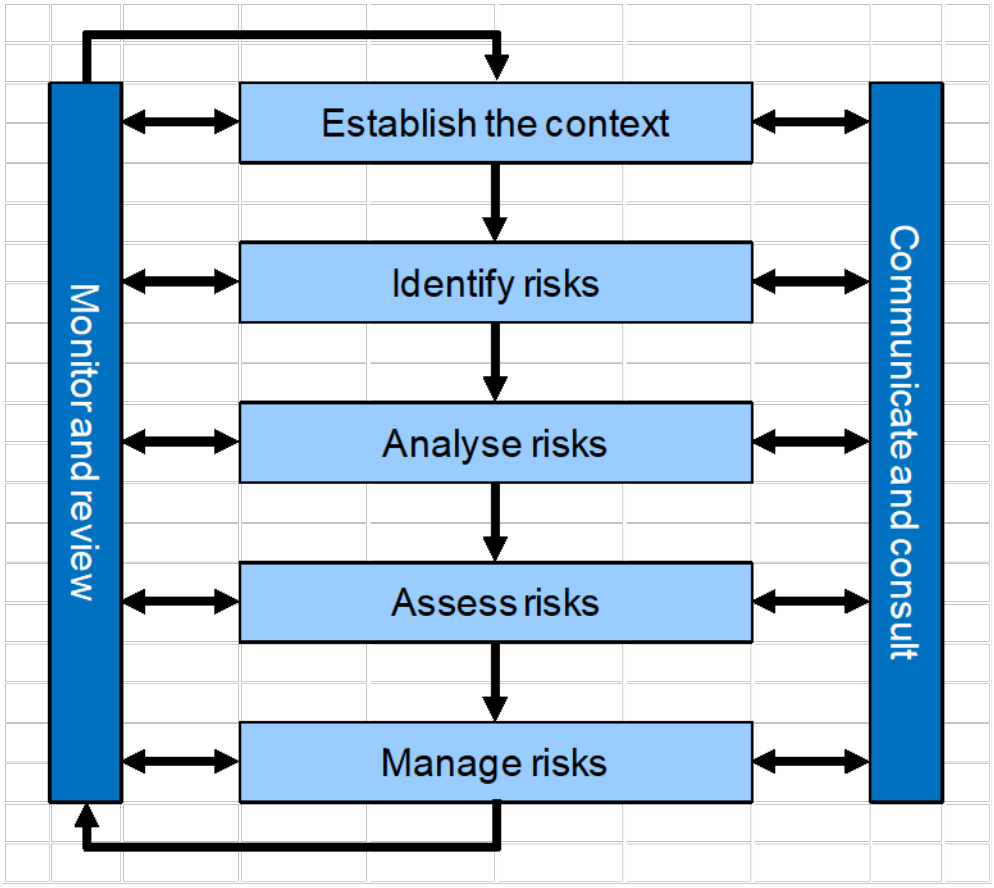
Demonstrates that if the risk appetite is 'Moderate', a risk score of between 12-16 and the range of associated outcomes is within appetite



Demonstrates that if the risk appetite is 'Open', a risk score of between 20-25 and the range of associated outcomes is within appetite

4. Approach to Risk Management

4.1. Risk Management Process – ISO31000



The above diagram demonstrates the whole process and cycle of risk management under the international standard ISO 31000.

The standard as outlined above makes clear that risk management is a dynamic process, with frequent review of existing risks and monitoring of the environment necessary to ensure the risks captured represent the current profile of the organisation.

Continual communication of risks within the organisation is essential to allow for informed decisionmaking. Communication to the Health Board and other stakeholders is also imperative to allow effective scrutiny and provide assurance that our risk profile is being effectively managed. It is also imperative to consult with and receive information from other departments within the organisation and our stakeholders to inform the management of our risks.

4.2. Step 1: Establish Context

The purpose of establishing context is to customise the risk management process, enabling effective risk analysis and appropriate risk treatment. In order to identify risks, we need to understand what we are assessing risk *against.* We must set risks within the context of the team, specialty, department and overall organisation. In addition, we need to recognise the internal and external drivers that could create risk.

Risks should be set against what we are trying to achieve as an organisation – our strategic objectives. In this stage it is important to ensure there is a common understanding of what those objectives mean at a team, specialty, department and organisational level in order that risk identification is not based on an inconsistent set of assumptions.

4.3. Step 2: Identify Risks

Once a clear, common set of objectives are agreed, the next step of the process is to identify potential risks that will prevent us from achieving them.

A range of techniques can be used for risk identification. Some prompts to consider:

- What might impact on your ability to deliver your objectives?
- What does our performance data tell you?
- What do our audit and scrutiny reports and external reviews tell us?
- Do you have experience in this area? Do you know or do you need to involve others?
- Should you involve partners or specialists in your risk identification?
- Lessons learned – what happened before?

Risk can be identified in a multitude of ways, through focused identification sessions or as a product of other work:

Focused Identification Methods	Other Identification Opportunities

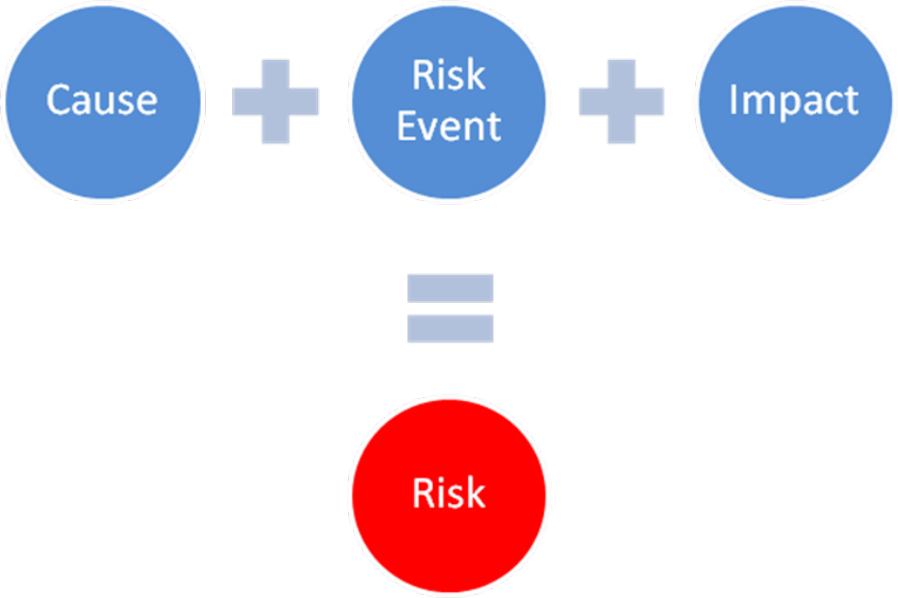
• Risk Identification Workshops • Risk Questionnaires • Review & refresh of existing risk registers • Interviews	• Horizon scanning • Board meetings / working groups / management meetings • Audit & scrutiny reports • Performance data • Risk Management training

The Risk Management function facilitates risk identification workshops with Departments to direct an in-depth review of new or emerging risks.

It is important to note that just because a risk cannot be fully mitigated by the organisation alone does not mean that it should not be captured. If the risk exists to the organisation, then it should be captured, managed as far as practicable and then monitored. Ongoing management of the risk may well be in conjunction with partner agencies or influence can be exerted over those capable of mitigating the risk to within an acceptable level.

4.4. Step 3: Analyse Risks

Once a risk has been identified it must be described in a certain way in order to effectively understand, manage and mitigate it. The risk description should contain three essential components:



These three components can be included within the description as follows:

"If [insert cause here], there is a risk that

[a certain event that may happen], resulting in

[describe impact this will have if it manifests]"

An example of an effective risk description might be:

If there is insufficient in external funding and continued uncertainty over our cost base there is a risk that NHS FV will be unable to achieve financial sustainability, resulting in Scottish Government intervention and a detrimental impact on service delivery.

Without understanding the underlying causes of the risk and all the potential impacts, it would be very difficult to design and implement effective controls.

4.5. Step 4: Assess Risks

The assessment, or scoring, of risk allows for prioritisation by severity. Determining the likelihood and impact of a risk and utilising a standardised assessment criteria to assign a score based on these factors allows us to understand and prioritise which risks to mitigate first. Three scores must be assigned to cover the full trajectory and lifespan of the risk:

Untreated Score

This is the inherent risk score, that is the score with no controls applied. This score represents the "reasonable worst case scenario" for the risk. If there were no controls, mitigation or contingency plans in place, how likely is it the risk would materialise and what would the impact be?

Current Score

Considering any controls that are currently in place to manage the risk, how does the risk score compare to the untreated score? This is the current score. Current risk score is assessed on a regular basis to establish the effectiveness of the controls applied to the risk. It is also the current score that is the key indicator used to determine if the risk should be considered for escalation.

Target Score

The target risk score is the optimum position for the risk. Once all controls have been adequately implemented, what will the residual risk score be? Target risk scores should reflect the organisation's risk appetite and align with the amount and type of risk NHS Forth Valley is willing to accept (refer to section 3 on Risk Appetite). Risk controls should be designed to actively reduce the risk score towards the target level.

Risk Assessment Matrix

The risk assessment matrix is a 5x5 scoring mechanism which will identify a score between 1 (1x1) at the lowest and 25 (5x5) at the highest possible score.

When utilising the impact criteria on the assessment matrix, a score must be applied for every category of impact applicable to that risk. For example, one risk may have a financial impact, an impact to patient experience and public confidence implications. The impact category with the highest scoring criteria will identify the overall impact score for that risk.

Assessment of likelihood is considered on a sliding scale from 1 to 5, with 1 representing 'very unlikely' and 5 'very likely.'

Once both scores have been identified, they are multiplied giving the overall score at *untreated, current* and *target* levels.

A full copy of the Risk Assessment matrix is included at Appendix B.

Categorisation

All risks, once identified, must be categorised into one of the recognised impact categories in order to understand the overall risk profile for the organisation. Categorisation of a risk is based upon the impact score, with the impact category which has the highest scoring criteria for that particular risk determining the risk category.

For example, a risk scoring a 3 for impact in Patient Experience but scoring a 5 in Finance will categorise that risk as Finance overall. Risk categories are outlined in the risk assessment matrix:

- Patient Harm
- Patient Experience
- Transformation/Innovation
- Health and Safety
- Service Delivery / Business interruption
- Workforce
- Financial
- Inspection / audit
- Public Confidence
- Health Inequalities
- Environmental Sustainability / Climate Change

Where more than one category has the same impact score, select the category which has the lower risk appetite level. For example, if Patient Experience and Finance both score 5, but Patient Experience has an averse appetite but Finance has a cautious appetite, select Patient Experience. If both categories have the same risk appetite level, use professional judgement (see Appendix D for current levels).

4.6. Risk Escalation/De-escalation

Risk escalation is a process that ensures significant risks that cannot be managed by a local team, department or specialty are escalated appropriately following the risk register hierarchy and line management arrangements. Risks are escalated in accordance with the agreed risk appetite and tolerance for that category of risk.

If a current risk score is above the agreed risk appetite for that risk category and falls into the tolerance range, the departmental/service management or equivalent should closely monitor the risk and undertake corrective action by amending existing controls or applying new controls. If the risk remains in tolerance after 6 months, the risk should be escalated to Directorate level for oversight and direction of mitigating action.

If a current score exceeds both appetite *and* tolerance, it should be escalated to Directorate level straight away for enhanced oversight and direction of action.

The risk appetite and tolerance levels (escalation criteria) are set out in Appendix D.

At Directorate level, consideration can be given as to whether further escalation to the Organisational/System-wide Risk Register is required, meaning additional scrutiny and direction of action by the Executive Leadership team as a collective, and reporting to the standing assurance committees.
The following questions should be asked when deciding whether to further escalate a risk to the Organisational/system-wide risk register:

- Does the risk have a widespread impact beyond a local area, e.g. does it affect multiple Departments, Directorates or HSCPs, or does it have dependencies on multiple Departments, Directorates or HSCPs to mitigate?
- Does the risk present a significant cost/decision making beyond the scope of the budget holder, or require change driven at an organisational/system-wide level?

Risks can be de-escalated to the appropriate level (Directorate or Departmental) once back within risk appetite.

4.7. Step 5: Manage Risks

The purpose of this step is to select and implement the appropriate action to respond to the risk. There are four broad ways we can respond to risk, known as the 4 Ts:

- Tolerate: this is the decision to accept the risk at its current level (usually after treatment). The ability to do anything may be limited, or the cost of taking action may be disproportionate to the benefit gained. Generally, it is risks that are within appetite that are tolerated.
- Treat: this is the decision to retain the activity or process creating the risk and to take action to implement risk controls that reduce either the likelihood of the risk occurring or minimising the impact. Risks which are out of appetite or tolerance will have to be treated.
- Transfer: this is the decision to transfer the impact of the risk either in full, or in part, to a third party. The most common form of risk transfer is insurance.
- Terminate: this is the decision to stop doing the activity associated with the risk. This may not always be possible and may create risks elsewhere as a result.

Risk Controls

Risk controls are management measures put in place to effectively manage a risk to within acceptable levels (i.e. to target score range). It is essential that the controls put in place to manage a risk are effective. The identification of effective controls is the most important part of the whole risk management process as without this element we would simply be identifying risks and doing nothing to manage them.

To assess whether the controls we identify are or will be effective, it is important to consider the following:

- What do you already have in place to manage the cause and / or impact of the risk? e.g. policies, procedures, projects, training courses, business continuity plans etc
- Do they work and what evidence do you have of the effectiveness? A policy which is in place but never complied with is not an effective one.
- Are there any gaps in your controls?

- Do you have all the information that you need about this risk or do you need to find out more?
- What more should you do?
- If several activities are required to manage the risk, how will you prioritise these?
- Are these controls within the remit of your department? If not, you will need to liaise with stakeholders to ensure that appropriate controls are put in place.
- If you implement the controls you have identified, will this manage the risk to within acceptable levels for that risk category? If the answer is no, further controls are required.

There are two main types of control measure that can be put in place to manage a risk:

- *Preventative Controls:* These are mitigating actions which will work to control the cause of the risk and prevent it happening in the first place.
- *Contingency Controls:* These are actions that can be put in place to reduce the impact of the risk if it does materialise. Contingency controls are often aligned to the business continuity plans of an organisation.

As an example, consider fire safety measures. Segregation of flammable materials and sources of ignition is a control which prevents the risk of fire. Smoke detectors, sprinkler systems and fire evacuation plans are contingency controls should the risk of fire materialise.

If a risk has been effectively analysed (see section 4.4), it will be much easier to identify appropriate preventative and/or contingency controls.

4.8. Monitor and Review

Risk Review

Once the process of identifying, analysing and assessing a risk are complete, it is imperative that it is subject to regular review. Ongoing management and review of a risk is the most important part of the process, as maintaining or reducing the risk score to within an acceptable range assures the overall management of the organisation's risk profile.

Required risk review timescales are outlined below:

Out of Tolerance	Monthly
In Tolerance	Every 2 months
In Appetite	Every 6 months

These are the minimum review timescales – if there are changes in the operating environment which could affect the severity of a risk, it can be reviewed and reported more frequently.

During a risk review, the risk score must be re-assessed. If it is identified that the risk continues to exist, the list of current controls and further controls required must be checked and added to where necessary. On the basis of progress with controls and

an assessment of the risk environment (i.e. are there any significant changes to the internal/external context), a re-assessment of the current score must be made using the risk assessment matrix. This will show whether the risk is decreasing, increasing or remaining static, and whether or not the risk requires escalation. Depending on its escalation level, a change to risk score will be reported at the appropriate assurance committee.

Review of the Risk Management Process

In addition to review of the risks themselves, the Risk Management team also reviews the whole system of risk management – are the right risks being escalated at the right time? Are the tools we provide sufficient to allow staff to effectively identify, analyse, assess and manage their risks? This enables learning and improvement and ensures that risk management adds value to the organisation's activities.

Assurance

A fundamental component of any risk management framework is the expert and objective assessment of risk controls to ensure they are well designed and operate effectively. Implementing a process to critically review risk controls provides the Board with assurance on the effective management of key strategic risks. To facilitate the provision of assurance, NHS Forth Valley utilises the "three lines of defence" model.

Operating as the first line, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks, understanding what the key controls are, and how effectively and consistently those controls are operating, in order to provide assurance to the Board. The second line is provided by governance/compliance functions such as Risk Management, who will assist the first line in developing an approach to fulfilling their assurance responsibilities. Internal Audit forms the third line, (providing independent assurance, and checking that the risk management process and framework are effective and efficient).

The levels of assurance and associated system and control descriptors are shown below:

Overall Risk Assurance Assessment		
Level of Assurance	**System Adequacy**	**Controls**
Substantial Assurance	Robust framework of key controls ensure objectives are likely to be achieved.	Controls are applied continuously or with only minor lapses
Reasonable Assurance	Adequate framework of key controls with minor weaknesses present.	Controls are applied frequently but with evidence of non-compliance

Limited Assurance	Satisfactory framework of key controls but with significant weaknesses evident which are likely to undermine the achievement of objectives.	Controls are applied but with some significant lapses
No Assurance	High risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls

Assurance should be provided to the relevant committees for their consideration on an ongoing basis. Any papers submitted as a source of assurance for the committee should explicitly reference the related strategic risk and should provide a conclusion as to whether performance indicates that controls are operating effectively and as intended. At the start of the year, assurance mapping principles will be used to determine the assurance requirements, and this will be set out in the committee assurance workplan. Assurance provision over the course of the financial year will be tracked and managed utilising the Pentana system.

Risks on the strategic risk register are subject to a rolling programme of 'deep dives' considered by the relevant assurance committee. Deep dive reviews are facilitated by the Risk Owner/Lead and Corporate Risk Manager and provide expert, objective assessment of the following key areas:

- Comparison of current risk score and target risk score
- Requirements to achieve the target risk score – success criteria for managing the risk
- Assessing the importance and effectiveness of implemented controls
- Assessing the proportionality of further controls required – i.e. will they help to achieve target score?
- Reviewing the assurance activity aligned to the risk controls in order to establish an overall assurance statement for the risk
-

Refer to Appendix C for guidance on risk controls assurance.

4.9. Communicate and Consult

Communication at all levels is important to allow for informed decision making, and provision of assurance that our risk profile is effectively managed – this is achieved through risk reporting.

Risk Reporting

A quarterly risk management report is presented to the Health Board which reports on our strategic risks. In addition, Assurance Committees are provided with a regular risk management report on strategic and organisational/system-wide risks assigned to their area of scrutiny.
The Executive Leadership Team acts as the Risk Management Steering Group and provides recommendations to the Board on the status of strategic level risks. Directorates and Departments are expected to carry out regular review, monitoring and

reporting on their risk registers (supported by the risk management function) to ensure that risks are identified and escalated to the appropriate level at an early stage.

The risk management reporting in place includes a range of risk management KPIs and trend analysis that enhances oversight and assurance for the Health Board. An annual report on risk management is also produced for the Health Board.

The Health and Social Care Integration Schemes for both Falkirk Integration Joint Board (IJB) and Clackmannanshire and Stirling IJB, detail the requirements and responsibilities regarding Risk Management for the IJBs and constituent parties. The IJBs will establish a Risk Management Strategy including a risk monitoring framework. Risks to delegated services which are identified will require to be communicated across partner organisations with clear responsibilities, ownership and timescales, and with mechanisms to ensure that assurance can be provided to the relevant Boards. Risk specialists from all parties will work together to ensure that Risk Management strategies are aligned to facilitate effective escalation of risks and provision of assurance.

5. Training, Learning and Development

A key part of developing a positive risk management culture in support of improving the overall risk maturity is the delivery of risk management training.

There are two levels of training available to staff within NHS Forth Valley and the two Health and
Social Care Partnerships. The first level is an online module hosted on TURAS, “Introduction to Corporate Risk Management”, and is aimed at all staff within the organisation/partnerships.

The second level is the “NHS Forth Valley Corporate Risk Management Training”, aimed at staff who have specific responsibilities involving the management of risk within their service areas, for example Risk Champions and Risk Leads. The course enhances knowledge and understanding of corporate risk management methodology and processes used within the NHS Forth Valley and the partnerships.

Eligibility for Level 2 training can be confirmed by contacting the mailbox at fv.corporateriskmanagement@nhs.scot

6. APPENDIX A: GLOSSARY

Assurance. Stakeholder confidence in our service gained from evidence showing that risk is well managed, achieved by risk owners and leads confirming that significant risks are being adequately managed, that critical controls have been identified, implemented and are effective.

Contingency. An action or arrangement that can be implemented to minimise impact and ensure continuity of service when things go wrong.

Current Risk Score: The risk score identified taking into account any controls that are currently in place to manage the risk.

Governance. The system by which organisations are directed and controlled to achieve objectives and meet the necessary standards of accountability, probity and openness in all areas of governance.

Internal Control. Corporate governance arrangements designed to manage the risk of failure to meet objectives.

Issue: Something that has happened and is currently affecting the organisation in some way and needs to be actively dealt with and resolved.

Likelihood. Used as a general description of probability or frequency which can be expressed quantitatively or qualitatively.

Risk: An uncertain event, or set of events, which, should it occur, will have an effect on the organisation's ability to achieve its objectives.

Risk Appetite. The level of risk that an organisation is prepared to accept in pursuit of its objectives.

Risk Architecture: All of the Risk Management arrangements within an organisation – sets out lines of communication and reporting, delegation and roles / responsibilities.

Risk Assessment. The scoring of a risk to allow prioritisation. Determining the likelihood and impact of a risk.

Risk Champion: The person / role with responsibility within an individual department or business area for maintaining lines of communication with the Risk Management team, administering the risk register and co-ordinating all risk activities.

Risk Control: Management measures put in place to effectively manage a risk to within an acceptable level. Can be preventative or contingency in nature and will reduce the likelihood or impact of consequence.

Risk Culture: The reflection of the overall attitude of every part of management of an organisation towards risk.

Risk Target Score: An acceptable level of risk based on the category of risk and risk appetite.

Risk Escalation. The process of delegating upward, ultimately to the Board, responsibility for the management of a risk deemed to be impossible or impractical to manage locally.

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Risk Lead: The person / role responsible for managing a risk on a day-to-day basis, assessing the risk score and updating the management plan, reviewing the risk on a regular basis.

Risk Management: The integrated approach (culture, processes, structures) to the identification, analysis, control and monitoring of risk.

Risk Management Policy: Statement outlining the objectives of the risk management practices within the organisation.

Risk Management Strategy**:** Sets out the basis for the principles, processes and approaches to risk management to be followed in order to achieve a consistent and effective application of risk management and allow it to be embedded into all core processes.

Risk Matrix: A scoring mechanism used to identify the severity of a risk, using a multiplication of likelihood and impact, across pre-set categories.

Risk Maturity: The level of risk management capability within an organisation.

Risk Owner: The person / role with accountability for ensuring the effective management of a risk

Risk Register: A tool used to capture and monitor risks. Includes all information required about that particular risk and is intended to be used both as a management tool and conduit for risk reporting.

Risk Tolerance. The maximum level of risk the organisation can tolerate regarding each type of risk before the organisation is significantly impacted.

Threat: A negative scenario which could give rise to risks.

Untreated Risk Score: The risk score identified by assessing the risk with no controls, mitigation or contingency plans in place.

7. APPENDIX B: RISK ASSESSMENT MATRIX

Impact – What could happen if the risk occurred?

Assess for each category and use the highest score identified.

Category	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Patient Harm *(through delivery or omission of care, risk results in unintended/unexpected but avoidable physical or psychological harm to a patient)*	Adverse event Negligible effect on patient	Minor episode of harm not requiring intervention	Harm which requires intervention but doesn't trigger organisational Duty of Candour response	Harm, such as sensory, motor, or intellectual impairment which has lasted or is likely to last at least 28 days OR Pain or psychological harm which lasts, or is likely to last, at least 28 days And triggers organisational Duty of Candour	Severe harm such as death or permanent disability, either physical or psychological (e.g., removal of wrong limb/organ or brain damage) And triggers organisational Duty of Candour

Patient Experience *(risk could impact on how a patient, their family or carer feels during the process of receiving care)*	Reduced quality patient experience Locally resolved verbal complaint or observations	Unsatisfactory patient experience directly related to care provision – readily resolvable Justified written complaint peripheral to clinical care	Unsatisfactory patient experience/clinical outcome with potential for short term effects Justified written complaint involving lack of appropriate care Themes emerging – readily or locally resolvable	Unsatisfactory patient experience /clinical outcome with potential for long-term effects Multiple justified complaints Serious problem themes emerging, informed from more than one source	Unsatisfactory patient experience/clinical outcome, continued ongoing long term effects Complex Justified complaints Confirmed serious problem themes from more than one source Involvement of Scottish Public Services Ombudsman
Transformation/Innovation *(risk could impact on ability to successfully adapt and transform)*	Barely noticeable reduction in scope/quality/ schedule Negligible impact on achievement of intended benefits	Minor reduction in scope/quality/ schedule Minor impact on achievement of intended benefits	Reduction in scope/quality/project/programme objectives or schedule Some intended benefits will not be achieved	Significant project/programme over-run Significant proportion of intended benefits will not be achieved	Failure to deliver project/programme Failure to achieve sustainable transformation
Health and Safety *(risk could impact on staff/public, or a patient out with delivery of care)*	Adverse event leading to minor injury not requiring first aid No staff absence	Minor injury or illness, first aid treatment required Up to 3 days staff absence	Agency reportable, e.g., Police (violent and aggressive acts) Significant injury requiring medical treatment and/or counselling RIDDOR over 7- day absence due to injury/dangerous	Major injuries/long term incapacity /disability (e.g., loss of limb), requiring, medical treatment and/or counselling RIDDOR over 7- day absence due to major injury/dangerous occurrences.	Incident leading to death(s) or major permanent incapacity RIDDOR Reportable/FAI

			occurrences		

Service Delivery/ Business Interruption *(risk could impact on ability to efficiently and effectively deliver services)*	Interruption in a service which does not impact on the delivery of patient care or the ability to continue to provide service	Short term disruption to service with minor impact on patient care/ quality of service provision	Some disruption in service with unacceptable impact on patient care Resources stretched Prolonged pressure on service provision	Sustained loss of service which has serious impact on delivery of patient care Contingency Plans invoked Temporary service closure	Permanent loss of core service/ facility Major Contingency Plans invoked Disruption to facility leading to significant "knock on" effect Inability to function as an organisation
Workforce *(risk could impact on staff wellbeing, staffing levels and competency)*	Negligible impact on staff wellbeing Temporary reduction in staffing levels/skills mix Individual training/competency issues	Minor impact on wellbeing, requires peer support Short-term reduction in staffing levels/skills mix (<6 months) Small number of staff unable to carry out training or maintain competency levels Increased usage of supplementary staff	Moderate impact on staff wellbeing, requires line manager support Medium-term reduction in staffing levels/skills mix (>6 months) Moderate number of staff unable to carry out training or maintain competency levels Reliance on supplementary staff in some areas	Serious impact on staff wellbeing, requires referral to support services Long-term reduction in staffing levels/skills mix (>9 months) Significant number of staff unable to carry out training or maintain competency levels Reliance on supplementary staff in multiple areas	Critical impact on staff wellbeing, co-ordinated response and referral to support services Loss of key/high volumes of staff Critical training and competency issues throughout the organisation Unsustainable reliance on supplementary staff across organisation.

Financial *(risk could impact through unplanned cost/reduced income/loss/non-achievement of intended benefit of investment)*	Some adverse financial impact but not sufficient to affect the ability of the service /department to operate within its annual budget	Adverse financial impact affecting the ability of **one or more** services/ departments to operate within their annual budget	Significant adverse financial impact affecting the ability of **one or more** directorates to operate within their annual budget	Significant adverse financial impact affecting the ability of the organisation to achieve its annual financial control total	Significant aggregated financial impact affecting the long-term financial sustainability of the organisation
Inspection/Audit *(risk could impact on outcome during/after inspection by internal/external scrutiny bodies)*	Small number of recommendations which focus on minor quality improvement issues	Recommendations made which can be addressed by low level of management action	Challenging recommendations that can be addressed with appropriate action plan	Mandatory improvement required. Low rating. Critical report. High level action plan is necessary	Threat of prosecution. Very low rating. Severely critical report. Board level action plan required
Public Confidence *(risk could impact on public/stakeholder trust and confidence, and affect organisation's reputation)*	Some discussion but no impact on public confidence No formal complaints or concerns	Some concerns from individuals, local community groups and media – shortterm Some impact on public confidence Minor impact public perception and confidence in the organisation	Ongoing concerns raised by individuals, local media, local communities, and their representatives - long-term Significant effect on public perception of the organisation	Concerns raised by national organisations/scrutiny bodies and short-term national media coverage Public confidence in the organisation undermined Use of services affected	Prolonged national/international concerns and media coverage Issues raised in parliament Legal Action/ /Public Enquiry/FAI/Formal Investigations Critical impact on staff, public and stakeholder confidence in the organisation
Health Inequalities *(risk could increase health inequalities, particularly those that are healthcare generated)*	Negligible impact on health inequalities such as morbidity/mortality and healthy life expectancy No impact on services	Minor impact on health inequalities such as morbidity/mortality and healthy life expectancy Some services experience increased pressures	Moderate impact on health inequalities such as morbidity/mortality and healthy life expectancy Causes short term increased pressures across the system	Serious exacerbation of health inequalities such as morbidity/mortality and healthy life expectancy Causes long term pressures in system/affects ongoing viability of a service	Critical exacerbation of health inequalities such as morbidity/mortality and healthy life expectancy Affects whole system stability/sustainability

Environmental Sustainability / Climate Change (*risk could impact on environment, ability to comply with legislation/targets or environmentally sustainable care)*	Limited damage to environment, to a minimal area of low significance Negligible impact on ability to comply with climate legislation/targets or ability to reach net zero Negligible impact on ability to provide environmentally sustainable care	Minor effects on biological or physical environment Minor impact on ability to comply with climate legislation/targets or ability to reach net zero Minor impact on ability to provide environmentally sustainable care	Moderate short-term effects but not affecting eco-system Moderate impact on ability to comply with climate legislation/targets or ability to reach net zero Moderate impact on ability to provide environmentally sustainable care	Serious medium term environmental effects Serious impact on ability to comply with climate legislation/targets or ability to reach net zero Serious impact on ability to provide environmentally sustainable care	Very serious long term environmental impairment of eco-system Critical non-compliance with climate legislation/targets or ability to reach net zero Critical impact on ability to provide environmentally sustainable care

Likelihood – What is the likelihood of the risk occurring? Assess using the criteria below.

Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
It is assessed that the risk is very unlikely to ever happen.	**It is assessed that the risk is not likely to happen.**	**It is assessed that the risk may happen.**	**It is assessed that the risk is likely to happen.**	**It is assessed that the risk is very likely to happen.**
Will only occur in exceptional circumstances	**Unlikely to occur but potential exists**	**Reasonable chance of occurring - has happened before on occasions**	**Likely to occur - strong possibility**	**The event will occur in most circumstances**

Risk Assessment Table – Multiply likelihood score by impact score to determine the risk rating (score).

	5	Low 5	Medium 10	High 15	Very High 20	Very High 25

LIKELIHOOD						
	4	Low 4	Medium 8	High 12	High 16	Very High 20
	3	Low 3	Low 6	Medium 9	High 12	High 15
	2	Low 2	Low 4	Low 6	Medium 8	Medium 10
	1	Low 1	Low 2	Low 3	Low 4	Low 5
		1	2	3	4	5
		IMPACT				

8. APPENDIX C: RISK CONTROLS ASSURANCE GUIDANCE – NHS Forth Valley

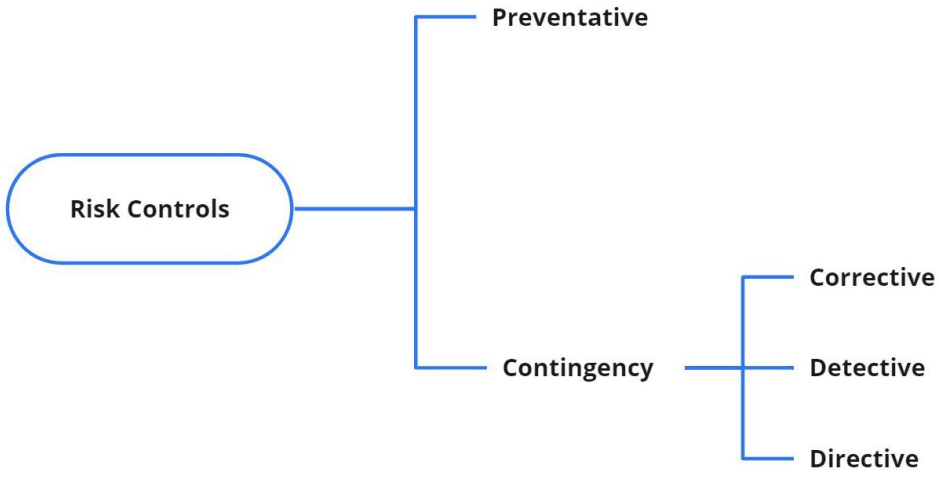
Risk Controls Assurance Guidance – NHS Forth Valley

Overall Risk Assurance Assessment		
Level of Assurance	**System Adequacy**	**Controls**
Substantial Assurance	A sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives.	Controls are applied continuously or with only minor lapses

Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, noncompliance or scope for improvement identified which may put at risk the achievement of objectives.	Controls are applied frequently but with evidence of non-compliance
Limited Assurance	Significant gaps, weaknesses or non-compliance identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives.	Controls are applied but with some significant lapses
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives.	Significant breakdown in the application of controls

Control Types		
Type	**Description**	**Examples**
Preventative	Activity to control the underlying risk cause and prevent it happening in the first place	• Removal / substitution of a hazard • Employee vetting / checks • Segregation of duties / authorisation levels to reduce fraud • Restricting access to assets (physical / information) • Password protection • Policies, standards, processes for planning

Contingency (Reactive)	Corrective – limits the scope for loss, reduced undesirable outcomes Directive – direct activity to ensure a particular outcome is achieved Detective – designed to identify occasions when undesirable outcomes have been realised	• Policies, standards, processes to provide direction as to steps required in a certain situation • Budget review / reconciliation process • Performance review – budget-to-actual comparison to identify variance, Key Risk Indicators • Reporting • Inventories • Business Continuity / Disaster Recovery Plans • Whistleblowing / Fraud Detection



Risk Control Effectiveness Assessment

Effectiveness Score	Description
Fully effective: 100% Review and monitor existing controls	Nothing more to be done except review and monitor the existing control. Control is well designed for the risk, and addresses root causes. Management believes it is effective and reliable at all times. Full compliance with statutory requirements, comprehensive procedures in place, no other controls necessary, ongoing monitoring only Control is likely to be of a preventative nature (for example, prevents the risk from occurring) and be systematic or automatic (for example, electronic banking authorisation process)
Mostly Effective: 80-99% Most controls are designed correctly and are in place and effective.	Control is designed correctly and largely in place, effective and regularly reviewed. Some more work to be done to improve operating effectiveness or management has doubts about operational effectiveness and reliability.
	Control is likely to be of a preventative nature (for example, prevents the risk from occurring) but may not be automated and require manual intervention / review

Partially effective: 50-79% Some controls poorly designed or not effective	While the design of control may be largely correct in that it treats the root of the risk, it is not currently very effective. **or** While it operates effectively, the control does not seem correctly designed in that it does not treat root causes. Reasonable compliance with statutory requirements established, some preventative measures in place, controls can be improved Control is likely to be either reactive (for example, business continuity plan) or of a deterrent nature (for example corporate policy, training) and as such would not be considered as effective as a purely preventative control
Not effective: <50% Significant control gaps due to poor control design or very limited operational effectiveness	Significant control gaps. Either control does not treat root causes or does not operate at all effectively. Virtually no credible control. Management has no confidence that any degree of control is being achieved due to poor control design or very limited operational effectiveness Insufficient control, weak procedures, limited attempt made to implement preventative measures Control is either not in place or not working as intended

Effectiveness of Controls – Questions to Ask:

- Do the controls in place already work – have they prevented the risk materialising or mitigated its effects?

- Are there any gaps in controls?
- Is further information required about the cause and impact of the risk in order to design and implement appropriate controls?
- If several controls are required for mitigation, how are they prioritised?
- Are there any dependencies or critical points of failure in implementing the controls?
- Will planned controls be sufficient to bring the risk to target score?

Risk Control Criticality Assessment	
Control Rating	**Description**
Low Importance	The control is of negligible importance in effectively mitigating the risk. Failure of the control will not result in an increase in the likelihood or impact of the risk.
Moderately Important	The control is of moderate importance in effectively mitigating the risk. Failure of the control will result in an increase in the likelihood or impact of the risk, but the risk score will remain within appetite.
Important	The control is important in effectively mitigating the risk. Failure of the control will result in an increase in the likelihood and impact of the risk beyond risk appetite, but within tolerance. Additional controls will be required to mitigate the risk if this control cannot be executed.
Very Important	The control is very important in effectively mitigating the risk. Failure of the control will result in an increase in the likelihood and impact of the risk beyond risk appetite and tolerance. Significant additional controls will be required to mitigate the risk if this control cannot be executed.
Absolutely Critical	The risk control is an essential component of the mitigation plan for the risk. If the control is not in place and working effectively the risk cannot be successfully mitigated to within risk appetite or tolerance.

1st Line of Defence: The function that owns and manages the risk

Under the first line of assurance, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

2nd Line of Defence: Functions that oversee or specialise in risk management, compliance and governance

The second line of assurance consists of activities covered by several components of internal governance (compliance, risk management, quality, IT and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists risk owner in reporting adequate risk related information up and down the organisation.

3rd Line of Defence: Functions that provide independent assurance – e.g. Internal and External Audit

Internal audit forms the organisation's third line of assurance. An independent internal audit function will, through a risk based approach to its work, provide assurance to the organisation's board of directors and senior management. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence. It encompasses all elements of an institution's risk management framework (from risk identification, risk assessment and response, to communication of risk related information) and all categories of organisational objectives: strategic, ethical, operational, reporting and compliance.

Examples of Assurance Activity

- Training
- Policies and Procedures
- Communication, Consultation and Information
- Executive Management / Assurance Committee Oversight
- Management Review and Reporting (1st Line of Defence)
- Independent Review (2nd Line of Defence) – e.g. internal compliance functions such as Finance, Legal, Risk Management, Procurement, Information Governance, Infection Control, Emergency Planning / Resilience etc etc
- Internal and External Audit (3rd Line of Defence)

APPENDIX D: RISK APPETITE AND TOLERANCE LEVELS

Impact Category	Appetite	Tolerance
Health and Safety	**Averse**	**No Tolerance**
Service/Business Interruption	**Averse**	**Cautious**
Workforce	**Averse**	**Cautious**
Patient Harm	**Cautious**	**No Tolerance**
Patient Experience	**Cautious**	**Moderate**
Financial	**Cautious**	**Moderate**
Adverse Publicity / Reputation (Public Confidence)	**Cautious**	**Moderate**
Inspection / Audit	**Cautious**	**Moderate**
Health Inequalities	**Cautious**	**Moderate**
Transformation/Innovation	**Moderate**	**Open**
Environmental Sustainability and Climate Change	**Moderate**	**Open**

APPENDIX E: RISK APPETITE STATEMENTS

Impact Category	Appetite Level/Statement	Tolerance Statement
Patient Harm	Cautious: NHS Forth Valley exists to deliver safe, effective, person-centred care to its population. We recognise that to meet patient care objectives where the benefit exceeds the risk, there are occasions where we must operate with a **CAUTIOUS APPETITE** for risks which could result in patient harm.	There is no tolerance for this type of risk.
Patient Experience	Cautious: NHS Forth Valley has a sustained focus on improving care and experience of patients, families, and carers. We have a **CAUTIOUS APPETITE** for risk, reflecting our desire for positive patient experience and quality clinical outcomes, but recognising that it is not possible to avoid all risk and uncertainty in this area, particularly in the current operating environment.	Moderate: We are prepared to operate in the **MODERATE TOLERANCE** range for Patient Experience for a defined period, to ensure that essential health and social care needs are quickly and effectively met, and while mitigation plans are being actively developed.

Transformation/Innovation	Moderate: NHS Forth Valley has a **MODERATE appetite** for innovation, accepting that a greater degree of risk is required to maximise innovation and opportunities to improve patient experiences and outcomes, transform services and ensure value for money.	Open: We will operate with an **OPEN TOLERANCE for innovation** to allow the scoping of innovation projects to provide the detail of the case for change. This would be for a defined period while all potential delivery options are considered. Once in the initiation and planning stage for the innovation project to be implemented, the appropriate appetite level would be reconsidered in line with organisational process for initiating a new project.
Health and Safety	Averse: Any injury, illness or loss of life as a result of NHS FV failing to comply with Health and Safety obligations would be unacceptable. Therefore, there is an **AVERSE APPETITE** for risks that may compromise the Health and Safety of patients, staff, visitors and public and others accessing NHS FV services/venues.	There is no tolerance for this type of risk, but we recognise that on some occasions we will have to accept risks that have been reduced as low as reasonably practicable, and these are likely to fall into the cautious range.

Service/Business Interruption	Averse: NHS Forth Valley has an **AVERSE APPETITE** for risks which could result in Service/Business Interruption. Delivery of Health and Social Care is a priority, and while it may not be possible to eliminate risk, there is a focus on ensuring that essential health and social care needs are met quickly and effectively.	Cautious: We are prepared to operate in the cautious tolerance range for Service/Business Interruption for a defined period of time while mitigation plans are being actively developed.
Workforce	Averse: NHS Forth Valley is committed to recruiting and retaining a confident, flexible, trained workforce. We have an **AVERSE APPETITE** for risks to staffing, competence and wellbeing, particularly those which could result in contravention of relevant Professional Standards. It may not always be feasible to reach the desired range of outcomes, but nonetheless this is an area which we will prioritise until risks are ALARP*.	Cautious: NHS Forth Valley will operate with a **CAUTIOUS TOLERANCE,** to support staff to innovate and improve their workplace, balancing the risk against the reward to be gained from the significant staff knowledge and experience which is available. This will be for a defined period while mitigation plans are implemented. The priority will remain adherence to professional standards, and staff should continue to work within the limits of their competence, exercise “duty of candour” and raise concerns when they come across situations that put patients or public at risk.

Financial	Cautious: NHS Forth Valley's strategic aim is high quality and sustainable clinical services. We wish to achieve financial sustainability by spending well and making the most of our resources. Therefore, we have a **CAUTIOUS APPETITE** for Financial risk as budgets are constrained and unplanned / unmanaged budget variance could affect our ability to achieve statutory financial targets, potentially increases reputational risk and places pressure on divisions and departments. Well informed risks can be taken but budget variances are to be minimised and VFM is the primary concern.	Moderate: We will operate with a **MODERATE TOLERANCE** for a defined period while mitigation plans are implemented. We are prepared to accept the possibility of limited unplanned / unmanaged budget variance. VFM is the primary concern but we are willing to consider other benefits for a limited budget variance.
Inspection/Audit	Cautious: NHS Forth Valley has a **CAUTIOUS APPETITE** for risks impacting on Inspection/Audit. We are prepared to take informed risks which could result in recommendations, improvement notices or criticism, provided that the benefit outweighs the negative outcome.	Moderate: NHS Forth Valley has a **MODERATE TOLERANCE** for risks impacting on Inspection/Audit. Due to constraints in the current operating environment, we are prepared to take informed risks, for a defined period, which could result in recommendations, improvement notices or criticism, even where the benefits/negative impacts are balanced.

Public Confidence	Cautious: NHS Forth Valley has a **CAUTIOUS APPETITE** for risks impacting on public confidence which flow from informed decision-making, in order that achievement of strategic objectives is not hindered.	Moderate: We are prepared to operate within a **MODERATE TOLERANCE** range for Public Confidence for a defined period of time while mitigation plans are being actively developed.
Health Inequalities	Cautious: NHS Forth Valley has a **CAUTIOUS APPETITE** as there is a need to take a degree of balanced risk to achieve potential rewards from undertaking costeffective prevention activities and addressing health inequalities. We are focused on reducing healthcare generated inequalities.	Moderate: Recognising that tackling health inequalities requires integrated working across the whole health and care system, NHS Forth Valley has a **MODERATE TOLERANCE** to allow partners to actively collaborate to develop mitigation plans.
Environmental Sustainability and Climate Change	Moderate: NHS Forth Valley has a **MODERATE APPETITE** for risks impacting on Environmental Sustainability and Climate Change, being mindful of our commitment to reaching net zero, and of the negative impact on the health of our population.	Open: It would not be appropriate to have an open appetite due to the effect of climate change on the long-term health of the population we serve. However, we will operate in the **OPEN TOLERANCE** range while we actively seek mitigations which provide value and sustainability.